

The Global Newspaper  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague and Marseille

WEATHER DATA APPEAR ON PAGE 14

No. 31,695

# Herald Tribune

Published With The New York Times and The Washington Post

ZURICH, TUESDAY, JANUARY 15, 1985

ESTABLISHED 1887

Algeria	6.00	Den	1.50	France	7.00	Italy	1.50
Argentina	2.00	East	1.50	Germany	0.70	Japan	1.50
Australia	0.60	Den	1.50	Portugal	0.50	Spain	1.50
Belgium	4.50	France	1.50	Sweden	1.50	Switzerland	1.50
Canada	1.10	Germany	1.50	Taiwan	1.50	U.S.	1.50
Czech	1.50	Italy	1.50	U.K.	1.50	Yugoslavia	1.50
Danish	1.50	Japan	1.50				
East	1.50	Portugal	1.50				
France	1.50	Spain	1.50				
Germany	1.50	Sweden	1.50				
Italy	1.50	Switzerland	1.50				
Japan	1.50	Taiwan	1.50				
U.S.	1.50	U.K.	1.50				
Yugoslavia	1.50						

## U.K. Interest Rates At 12%, but Pound Continues to Slide

By Bob Hagerry  
International Herald Tribune

LONDON — The British government forced interest rates up another 1.5 percentage points Monday in an attempt to stop the pound's fall against other major currencies.

After a brief rally, however, the pound continued to drop as the dollar surged to a 12-year high against the Deutsche mark and traders grew jittery about the possibility of further declines in oil prices.

The pound's weakness prompted some traders and analysts to predict that the government would be forced to engineer another interest rate increase within days.

After an unusually overt signal from the government Monday morning, the major British banks raised their base lending rates to 12 percent. On Friday, the banks raised the rate to 10.5 percent from a range of 9.5 to 9.75 percent.

It was the second time in seven months that such rapid rate increases have been necessary to stop the pound's fall by making it more attractive to investors.

The pound closed in London at \$1.1115, down from \$1.1195 in New York on Friday. After slipping as low as \$1.1020 in Asian trading early Monday, the pound rose in London as high as \$1.1320 on the strength of the British rate increase.

But reports that Norway had confirmed its intention to price its oil on a more market-related basis appeared to spread fears of a further drop in oil prices, which could hurt Britain as the world's fifth-largest oil producer.

At the same time, the dollar suddenly surged against the Deutsche mark, the pound and other major currencies Monday afternoon, reaching a 12-year high of 3.1970 DM before edging back slightly to close at 3.1920 DM in London.

Both factors hurt the pound as trading opened in New York.

"The Americans came in and started selling the mark down the river," said Paul Cherkow, chief economist at International Treasury Management Ltd. in London.

He said that another British rate increase was likely to be necessary to convince the market that the government is resolved to shore up the currency. British government sources said the government was prepared to push rates higher if needed.

The pound has fallen in the past week largely because of a feeling that the government was not willing to defend it through sharply higher interest rates. During the weekend, government spokesmen denied this suggestion.

To drive the point home, the Bank of England announced Monday morning that it was reintroducing for one day its minimum lending rate, the lowest rate at which the central bank lends to money market dealers, using securities as collateral. The rate was set at 12 percent, and Britain's major banks promptly acknowledged the signal by raising their base lending rates.

The central bank had not used the minimum lending rate, or MLR, since 1981, when the government adopted a more market-oriented approach to credit policy. But the authorities decided to revive the minimum lending rate for one day to give a "clear lead" to the market rather than waiting for market forces to push rates higher.

"Subtlety perhaps was not the name of the game," a government source said. "We wanted people to understand that we would take some action, and we did."

In July, in response to an earlier drop in the pound's foreign exchange value, British banks raised their base rates by 2.75 percentage points in two steps without receiving such an overt signal from the Bank of England.

Economists say the pound's recent dive largely reflects worry in the foreign-exchange market over the effects of lower oil prices, although some economists argue that on balance, lower oil prices would strengthen the British economy.

Some dealers also worry that rapid growth in the money supply and bank lending will send inflation shooting up from the current level of about 5 percent annually.

## U.K. Judge Lets Adoptive Couple Keep Contract Baby

The Associated Press

LONDON — A High Court judge said Monday that a 10-day-old girl, Britain's first commercial surrogate baby, has been placed in the care of the couple who contracted for her.

The judge, Sir John Lane, said the couple can take the baby out of Britain and that they took custody of the infant on Friday to return to "their home country." The couple, identified in court only as "Mr. and Mrs. A," were said by British newspapers to be Americans.

The baby's mother, Kim Cotton, 28, of London, reportedly was paid \$8,400 by the childless couple to be artificially inseminated with the husband's sperm and bear the child.

The birth of the 7-pound, 13-ounce (3.5-kilogram) baby on Jan. 4 prompted debates on the morality and legality of the practice of surrogacy arrangements.

The northern London borough of Barnet, where the baby was born, had obtained a lower court order a few hours after the birth preventing the baby from being given to the couple because of uncertainty over the legality of such arrangements. Sir John said that the lower court had acted properly.

The High Court intervened on Jan. 8, reportedly at the request of the father, to take temporary custody of the infant.

Sir John imposed a gag order on Jan. 9, limiting any press coverage that might lead to the identification of the couple. Anyone breaking the order can be held in contempt of court.

Sir John said that the ban will remain permanently in force.

"Plainly, the methods used to produce a child as this baby has been, and the commercial aspects of it, raise difficult and delicate problems of ethics, morality and social desirability," he said. His decision sets a legal precedent.

"Those problems are under active consideration elsewhere," he said. "If what the father and his wife... did was wrong, and I'm not saying it was, they did it in total innocence."

He said no one was better able "to look after this child's well-being, physical and emotional." He added that the adoptive couple has "a very nice home in the country and another in a town. Materially, they can give the baby a very good upbringing."

He added, "But far more importantly, they are both excellently equipped to meet the baby's emotional needs."

The Daily Mail newspaper on Monday quoted Derek Kirby-Johnson, a lawyer for the father, as saying that the couple left Britain with the baby over the weekend after a private court hearing before Sir John on Friday.

According to newspaper accounts, the National Center for Surrogate Parenting, a British agency with offices in Washington, was paid \$15,910 to arrange the birth.

The Daily Star, a London tabloid believed to have paid Mrs. Cotton up to \$22,400 for the rights to her story, reported that she had no qualms about giving the baby away. She has two children from her own marriage.

Health Minister Kenneth Clarke said Sunday that the Conservative government would decide within the next week or two whether to outlaw surrogacy arrangements.

The pound has fallen in the past week largely because of a feeling that the government was not willing to defend it through sharply higher interest rates. During the weekend, government spokesmen denied this suggestion.

To drive the point home, the Bank of England announced Monday morning that it was reintroducing for one day its minimum lending rate, the lowest rate at which the central bank lends to money market dealers, using securities as collateral. The rate was set at 12 percent, and Britain's major banks promptly acknowledged the signal by raising their base lending rates.

The central bank had not used the minimum lending rate, or MLR, since 1981, when the government adopted a more market-oriented approach to credit policy. But the authorities decided to revive the minimum lending rate for one day to give a "clear lead" to the market rather than waiting for market forces to push rates higher.

"Subtlety perhaps was not the name of the game," a government source said. "We wanted people to understand that we would take some action, and we did."

In July, in response to an earlier drop in the pound's foreign exchange value, British banks raised their base rates by 2.75 percentage points in two steps without receiving such an overt signal from the Bank of England.

Economists say the pound's recent dive largely reflects worry in the foreign-exchange market over the effects of lower oil prices, although some economists argue that on balance, lower oil prices would strengthen the British economy.

Some dealers also worry that rapid growth in the money supply and bank lending will send inflation shooting up from the current level of about 5 percent annually.



Three principal figures in the preparations for Soviet-U.S. arms talks, Foreign Minister Andrei A. Gromyko, top, Defense Secretary Caspar W. Weinberger, left, and Secretary of State George P. Shultz, right, went on their countries' television networks separately on Sunday to comment on developments since the Shultz-Gromyko agreement last week in Geneva.

## Gromyko's Message to Congress Moscow May Be Trying to Influence Debate in U.S.

By Bernard Gwertzman  
New York Times Service

WASHINGTON — In linking the success of the new arms control negotiations to a willingness in Washington to curb the space weapons program, Moscow appears to be trying to persuade both the administration and U.S. public opinion.

In a way, the airing of differences between Soviet and American television Sunday by top officials on both sides represents public posturing that is to be expected in advance of actual negotiations. But the intensity of the argument over the long-range U.S. plan for research into anti-missile defenses suggests that this initial debate will persist well into the negotiations themselves, and into debates on Capitol Hill.

The Soviet position was laid out by Foreign Minister Andrei A. Gromyko, who said in an unusual appearance on Soviet television that Moscow would be willing to trade deep cuts in offensive missiles and bombers for agreement by the United States to forgo the \$26-billion research program known popularly as "star wars."

His message is evidently meant to be taken seriously by Congress, which is being asked to vote large amounts of money for programs that are only conceptual at present.

This proposed trade-off has been at the heart of the Soviet decision to return to the arms control negotiations after walking out in late 1983. Although many American scientific experts contend that the whole concept of an effective defensive shield is unworkable, the Soviet Union apparently does not share that skepticism.

Many State Department officials, and experts in arms control outside the government, see just the sort of trade-off proposed by Mr. Gromyko as the most likely outcome of the new talks. But the Reagan administration remains officially opposed to using its space weapons program as a "bargaining chip."

The most vociferous champions of the need to continue work on the program, which the administration calls the Strategic Defense Initiative, are President Ronald Reagan and Defense Secretary Caspar W. Weinberger.

On a CBS News program Sunday, Mr. Weinberger said, "I am ruling out the possibility of giving up a strategic defense either in the research stage or, if it becomes feasible, in the deployable stage."

In Geneva last week, Secretary of State George P. Shultz and Mr. Gromyko reached agreement on a statement calling for the start of new negotiations that would be divided into three parts: strategic offensive weapons, medium-range weapons and space weapons.

Although the joint statement said there was an "interrelationship" among the three sets of talks, U.S. officials have been saying they would prefer to reach agreements on nuclear arms separately. They also want to hold what would amount to a seminar with the Russians on the advantages that might accrue from introducing defensive weapons into the arsenals of both countries.

Mr. Weinberger said Sunday he interpreted the Geneva agreement as meaning that the United States would try "to bring the Soviets around to the idea that defense is a much better way of deterrence than offense."

Mr. Shultz was less categorical than Mr. Weinberger. In an appearance on an NBC News television program, he said there clearly was a "relationship" between space and strategic weapons, and as to whether this linkage could imperil future talks, "we'll have to see what emerges from the discussions."

"My only comment is that it remains to be seen what will happen if we agree on something in one area but not in some other area," he said. "It may or may not go forward."

Mr. Shultz's rather restrained reaction may reflect his own desire to retain all options, including a possible trade-off of the sort suggested by Mr. Gromyko.

The administration would like to move quickly for results in the deadlocked medium-range talks and the discussions on reduction of strategic arms. It believes that deals can be struck in the medium-range area by agreeing to limits on the new NATO missiles being deployed in Europe in return for cuts in the Soviet SS-20 missile force.

It also wants, in the strategic arms talks, to trade off U.S. advantages in submarine-launched missiles and bombers for Soviet advantages in land-based ballistic missiles.

Moscow may eventually be persuaded to agree on a deal, some officials believe, if only to hold down the growth of American offensive missiles. But for the moment, the Russians seem determined to leave the impression that they will not compromise on nuclear arms without progress first in the space weapons negotiations.

Some State Department officials, who say they have doubts about the efficacy of the space program, have asserted that they cannot envisage an accord on banning research since neither side can tell what is going on in a laboratory on the other side.

The real question, they said, is whether the research would reach a

## Israel Approves Plan On Lebanon Pullback

By Edward Walsh  
Washington Post Service

JERUSALEM — The Israeli cabinet has approved the first stage of a three-stage plan for withdrawing troops from southern Lebanon. Prime Minister Shimon Peres said the initial pullback should take place in a few weeks.

Israeli television reported that Monday night's vote was 16-6, with the foreign minister, Yitzhak Shamir, voting against.

The plan, drafted by Defense Minister Yitzhak Rabin and senior military officials, calls for the Israeli Army to withdraw to the international border by about next fall.

The first stage is to involve a pullback along the Lebanese coast, from the army's positions on the Awali River to a line between the Zaharani and Litani Rivers and south of Sidon.

A senior Defense Ministry official said the first stage should be accomplished in five or six weeks.

The second stage, tentatively planned for spring, calls for a similar pullback in the eastern sector of southern Lebanon where the Israeli Army would abandon positions that now put it within rifle range of Syrian soldiers and within artillery range of Damascus, the official said.

The third stage, he said, would be the pullback to the border, leaving a 6-to-12-mile (10-to-20-kilometer) "buffer zone" that would be controlled by the Israeli-backed South Lebanon Army and regularly patrolled by Israeli units.

Monday night's vote, which climaxed two days of debate in the cabinet, was the most important Israeli decision involving Lebanon since the June 1982 invasion.

But the commitment to withdraw from Lebanon was less than complete, and the tentative timetable could be set back as the Israelis pull back in stages and test the reactions of local Lebanese militias, Palestinian guerrillas still in Lebanon and the Syrians.

Mr. Peres initially hoped to win cabinet backing for the full withdrawal plan, leaving its implementation in the hands of Mr. Rabin and the army. But to shore up support for the plan, Mr. Peres agreed that the second and third stages of the pullback would also be submitted to the cabinet for approval.

As a result, Monday's vote to authorize the first stage represented a compromise between Mr. Peres' stated objective of a total pullback to the border and opposition to this by many Likud bloc ministers, including Mr. Shamir.

Addressing a luncheon meeting of foreign correspondents a few hours before the cabinet vote, Mr. Peres said that Israel still hoped that Syria and Lebanon would agree to security guarantees in southern Lebanon before the withdrawal plan is fully implemented.

But Mr. Peres also made clear his determination to push for completion of the plan this year regardless of Syria's attitude or the continuing opposition to a complete withdrawal within his own government.

"Initially, we did not go into Lebanon to remain there forever," he said. "Well, if not forever, a time must come to decide. We feel the time has come. I do not see any reason to stay and wait — for what?"

Mr. Peres said Israel's military delegation would return Thursday to the troop withdrawal talks with the Lebanese that have been taking place since Nov. 8 at the United Nations southern Lebanon headquarters in the border town of Naqura.

But the prime minister added: "Unless there is a change in Lebanon's position, which, unfortunately, depends completely on Syria's position, I don't see that much will happen at Naqura."

Israel had hoped that the Naqura negotiations would lead to an agreement for an Israeli troop withdrawal accompanied by new security arrangements in southern Lebanon to protect Israel's northern border.



An Israeli soldier left the prime minister's office with maps of Lebanon as the cabinet debated the army withdrawal.

## 37 Kanaks Charged With Rebellion

The Associated Press

NOUMEA, New Caledonia — Thirty-seven Melanesians arrested after a clash with police in which a separatist leader was killed were charged by a magistrate Monday with "rebellion committed by more than 20 armed people" and jailed.

In another court, a judge ruled that the state of emergency decreed over the weekend during disturbances by European settlers in Noumea was illegal. The judge freed four of 10 persons arrested during the disturbances.

The 37 Melanesians were arrested Saturday during a confrontation at a farmhouse in which Eloi Machoro, a leader of the Kanak Socialist National Liberation Front, and Marcel Nomaro, his top aide, were shot to death. Officials said police sharpshooters were only trying to disable them. The Melanesians, known as Kanaks, claim Mr. Machoro and Mr. Nomaro were murdered.

Among those charged Monday was Mr. Machoro's brother, Louis, who was freed for 24 hours to attend his brother's funeral on Tuesday.

The latest violence in New Caledonia began on Friday when the 17-year-old son of a European farmer was shot to death. The father said his son was shot by Melanesian militants. That led to more than 24 hours of rioting in Noumea, the capital of this French Pacific territory, by opponents of independence, most of them European settlers.

Hearings were postponed on the cases of six of the 10 youths arrested during the riots Saturday. Four others charged with "participation in a prohibited demonstration" were ordered freed. The court said that the state of emergency decree, including a nighttime curfew, announced by the French high commissioner in New Caledonia, Edgar Pisani, was illegal.

The court cited a number of technical reasons for its decision, including the fact that the decree had not been published in the official journal and that Mr. Pisani did not have the authority to proclaim such a decree.

The decision does not overturn the decree, which must be pursued in an administrative court and not a criminal court, but it does mean that no one can be prosecuted for violations of the decree. The prosecution has appealed the decision.

## 2 French Army Observers Slain in Beirut Ambush

By Nora Boustany  
Washington Post Service

BEIRUT — Two French military observers were shot and killed Monday in an ambush in Beirut. A caller claimed responsibility for the assassinations in the name of the Islamic Jihad organization and warned that the group holds five kidnapped Americans whom it would try as spies.

The French observers, Sergeant Majors Henri Grecoeur, 35, and Henri Perrot, 34, were patrolling Monday morning in Borge Barjane, a Shiite Muslim suburb of Beirut, when gunmen in a car sprayed their jeep with machine-gun fire.

Last week, the deputy commander of the French military observer force, Lieutenant Colonel Claude Gueno, 45, was shot and killed as he walked in West Beirut, a predominantly Muslim section. No one claimed responsibility for that slaying.

The French observers, who are armed only with pistols, were sent to Beirut last March after the French contingent of the multinational peacekeeping force pulled out of Lebanon. Their mission is to supervise a truce between militias in West and East Beirut and to monitor fighting between Druze and Christian militias.

The slayings Monday brought to four the number of French observers killed in Lebanon since last June.

A caller who claimed to represent Islamic Jihad, in telephone conversations with two news agencies in Beirut, said "the two French spies were liquidated this morning after they were caught red-handed spying on our youths and positions in the Muslim suburb as part of their mission to monitor the movements of our youth and report to the Atlantic, Israeli and Phalangist intelligence."

The same group claimed responsibility for the kidnapping last Tuesday of the Catholic Relief Services director, Father Lawrence Martin Jenco, in a call to The Associated Press on Friday.

Monday's caller said Islamic Jihad held the five Americans who had disappeared in West Beirut since last March. He said they were all in good health and would be released unharmed, if all Americans left Lebanon.

"We wish to notify Alan Rosenberg," the State Department spokesman, "that William Buckley, Jeremy Levin, Benjamin Weir, Peter Kilburn, and Lawrence Jenco are now in our custody preliminary to trying them as spies," he said.

Mr. Buckley, a political officer at the U.S. Embassy in Beirut, was abducted by gunmen March 16. Mr. Levin, the Beirut bureau chief of Cable News Network, was kidnapped on his way to work March 7. The Rev. Benjamin Weir, a Presbyterian minister, was abducted in May, and Mr. Kilburn, a librarian at the American University of Beirut, disappeared Dec. 3.

## A Chemical Cleanup That Backfired Sewage Plant in U.S. Is a Major Source of Air Pollution

By Michael Wines  
Los Angeles Times Service

WASHINGTON — When Environmental Protection Agency scientists decided to find out why was releasing hazardous chemicals into the air in the Bridesburg area of Philadelphia, chemical plants, plastics makers and other smoky factories all came under suspicion. But the identity of the master villain has proven to be an unsettling surprise.

It is the city of Philadelphia's northeast sewage treatment plant, a plant that was mandated by the agency to rid the Schuylkill River of the same chemical soup that the facility is now apparently spewing into the air. It is estimated that the plant is responsible for nearly a fifth of the Bridesburg area's air pollution.

"It was some surprise," said Joseph A. Cannon, the environmental agency's top air-quality official.

Studies now indicate that the Philadelphia sewage plant and scores of other city sewage facilities across the United States are major sources of a number of chemical air pollutants that are either known or believed to be health hazards.

Some experts say it is virtually impossible to get rid of the dangerous substances. They can be transformed from water pollutants to air pollutants or to solid waste, but destroying them or rendering them harmless is particularly difficult.

According to Robert S. Currie, the Environmental Protection Agency's chief of geographic projects, the apparent moral of the Philadelphia story is that, most of the time, pollution cannot be eliminated, just diverted somewhere else.

But instead of being neutralized at sewage treatment plants, scientists have concluded, virtually all the organic chemicals evaporate into the air, where they are inhaled by people living nearby.

Every manhole you go by is a pollution source," said Mr. Currie, a director of the Philadelphia study. He said that the study showed that about 25 percent of the chemicals evaporates in the sewer lines, 60 percent comes out at the sewer plant and the rest goes into the Schuylkill River flows through Philadelphia.

It is not clear how much of a health hazard is posed by the emissions, partly because the environmental agency does not have any data on the health effects of most volatile organic chemicals. Some of the more common ones, such as chloroform and methylene chloride, are suspected cancer agents. Others are known to react in the atmosphere, like auto exhausts, to form the smog that blankets cities in the summer.

Nationally, the environmental agency estimates, sewage treatment plants are probably responsible for about 1 percent of the annual cancer cases that are thought to be caused by toxic air pollutants. The percentage is lower if cancers caused by partly

chemical plants. Thousands of householders dump similar, undiluted household chemicals down their drains.

But instead of being neutralized at sewage treatment plants, scientists have concluded, virtually all the organic chemicals evaporate into the air, where they are inhaled by people living nearby.

Every manhole you go by is a pollution source," said Mr. Currie, a director of the Philadelphia study. He said that the study showed that about 25 percent of the chemicals evaporates in the sewer lines, 60 percent comes out at the sewer plant and the rest goes into the Schuylkill River flows through Philadelphia.

It is not clear how much of a health hazard is posed by the emissions, partly because the environmental agency does not have any data on the health effects of most volatile organic chemicals. Some of the more common ones, such as chloroform and methylene chloride, are suspected cancer agents. Others are known to react in the atmosphere, like auto exhausts, to form the smog that blankets cities in the summer.

Nationally, the environmental agency estimates, sewage treatment plants are probably responsible for about 1 percent of the annual cancer cases that are thought to be caused by toxic air pollutants. The percentage is lower if cancers caused by partly

INSIDE

- Donald T. Regan intends to impose a sense of corporate order and discipline on the White House staff. Page 3.
- Marxists acknowledged Communist domestic threat. Page 5.
- Morocco confirmed a major clash with the Polisario rebels over the weekend. Page 6.

BUSINESS/FINANCE

- Statoil, Norway's state oil company, will abandon fixed prices for its North Sea oil, a company source said. Page 9.

SPORTS

- Olympic hurdles champion Edwin Moses was charged with soliciting prostitution in Los Angeles. Page 15.



## Delors Lists Priorities For Strengthening EC

STRASBOURG, France — The European Commission's new president, Jacques Delors, outlined an ambitious program Monday for his four years in office, throwing down new challenges to the 10 Common Market states.

Mr. Delors, a Socialist who served as France's finance minister until June, listed his economic and political priorities in an address to the European Parliament here, promising to rescue Europe from the lethargy he said had largely dented its international credibility.

He listed the priorities as completing the economic Common Market, strengthening the European Monetary System and narrowing economic differences between member states to generate higher growth and more jobs.

He set the end of the current Parliament in 1988 as the deadline for the people of Europe to "enjoy the daily experience of a tangible Europe, a real community where travel, communications and trade are possible without hindrance."

Mr. Delors spoke of the record 12.5 million unemployed in the community, saying, "Economic convergence will be meaningless if we have not reversed the terrible rise of unemployment within two years."

He spoke of the need to have communitywide collective bargaining among unions, employers and governments to reform industry and resolve employment and labor questions.

Officials said he was apparently referring to the system in France of settling conflicts through negotia-

tions involving the state, where resulting deals are bound by law. This system is not practiced in some member states, including Britain, whose Conservative government is opposed to intervention in industrial disputes.

Mr. Delors spoke repeatedly of the need to balance efficiency with justice, an ideal he said was too often forgotten. He said the aging generation governing Europe should not forget the aspirations of "the golden '60s" to build an affluent society.

## U.S. Cleanup Goes Awry

(Continued from Page 1)

burned fuels, such as gasoline, are included.

But in neighborhoods close to major treatment plants, the disease rate may be far higher. A study by Fox Chase Cancer Center in Philadelphia last year found abnormally high rates of lung cancer among men living in or near Bridesburg.

The environmental agency, in a study, estimated that many urban sewage facilities throw more than 110 tons of volatile organic chemicals into the air each year.

The study also indicated that other toxic chemicals may be fouling the air from the burning of sewage plant sludge, the mud-like residue left over after treatment, in municipal incinerators. The sludge often contains other industrial waste byproducts, such as chromium, which are considered potential health hazards.

Adding to the problem is the fact that the organic chemicals rising from sewage plants are particularly resistant to biological action, the method used in the United States to treat most sewage.

The average sewage plant is little more than a sophisticated test tube, filled with bacteria that "eat" human waste and most other organic compounds.

Many volatile organic chemicals, however, are not only impervious to bacterial action but kill the bacteria or dull their appetites. As a result, the sewage treatment process has little effect on the volatile organic chemicals.

The senior U.S. official said Mr. Martens told President Reagan that Belgium would consult with other allies before making a final decision on the missile.

Officials said that Mr. Reagan, worried that the U.S. position in the talks would be weakened by any hint of discord among the allies, had hoped to persuade Mr. Martens to resist political pressure and accept missiles scheduled for deployment beginning in March.



Prime Minister Wilfried Martens, left, with President Ronald Reagan.

## Belgium Hedges on Deployment

United Press International

WASHINGTON — Prime Minister Wilfried Martens assured President Ronald Reagan on Monday that Belgium remains committed to the deployment of cruise missiles on its soil but stopped short of declaring that his government will proceed with their installation without delay.

Although the assurance fell short of a firm commitment to proceed with deployment in March as scheduled, a senior administration official said, "I am reassured."

"Our sense, flowing out of this meeting, is one of confidence and optimism," the official said.

Mr. Martens, in two hours of talks, agreed with Mr. Reagan that the security of Western Europe depended on allied unity and said he "confirmed our attachment" to the 1979 North Atlantic Treaty Organization decision to deploy 48 cruise missiles in the absence of an arms agreement between the superpowers.

The senior U.S. official said Mr. Martens told President Reagan that Belgium would consult with other allies before making a final decision on the missile.

Officials said that Mr. Reagan, worried that the U.S. position in the talks would be weakened by any hint of discord among the allies, had hoped to persuade Mr. Martens to resist political pressure and accept missiles scheduled for deployment beginning in March.

Mr. Martens was expected to hear that message reinforced during separate afternoon meetings with Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger.

Mr. Martens has been urged by opposition parties and members of his own ruling coalition to postpone deployment to allow time for U.S.-Soviet arms talks to progress.

Those negotiations were the product of two days of discussions

between Mr. Shultz and Mr. Gromyko in Geneva last week.

Mr. Reagan's national security adviser, Robert C. McFarlane, said Monday that he was sure the Belgian government realized that deploying missiles on schedule would help provide incentives needed for the new talks.

Mr. McFarlane said that it would be "out of place" for him to comment on Belgian opposition to the deployment.

## Moscow's Message to Congress

(Continued from Page 1)

point, at some time in the 1990s, when a defensive weapon would be feasible. It is then, they say, that a deal could be worked out.

The United States and the Soviet Union are both committed by the anti-ballistic missile treaty of 1972 not to deploy more than 100 such defensive missiles in one place. The Russians have deployed their ABMs around Moscow, but the United States, believing that such missiles would not be effective, have not used their quota of 100.

In Geneva, Mr. Shultz reportedly reassured Mr. Gromyko that the United States was adhering to the ABM treaty and in fact raised questions about Soviet compliance.

If the United States should reach a point at which it would consider testing and deploying weapons in

violation of the ABM treaty, Mr. Shultz told Mr. Gromyko, it would discuss this with its allies and with the Russians. But Mr. Gromyko, at least in his public comments Sunday, stressed that Moscow was not satisfied with the "research-only" promise.

He said there was nothing "defensive" about the U.S. program, since defensive weapons would be used as a shield behind which an American attack could be carried out.

## U.S. Magazine Editor to Quit

The Associated Press

WASHINGTON — Marvin L. Stone, 60, editor of U.S. News & World Report, announced Monday that he will be leaving the magazine in early spring.

## Polish Official Says He Lied Under Orders About Priest

Reuters

TORUN, Poland — A police colonel accused of instigating the murder of the Reverend Jerzy Popieluszko said at his trial Monday that he lied during investigations on the orders of an Interior Ministry official, General Zenon Platek.

Colonel Adam Pietruszka told the Torun Court that after Father Popieluszko's kidnapping he misled investigators about the timing of the discovery of the possible involvement of men from his department in the affair.

He said he did so on instructions from General Platek, who has not been charged in the case but was suspended at the time of Colonel Pietruszka's arrest.

The colonel said he could not accept his statement to the investigators as "concealment on my part. When I heard from Platek, I assumed that everyone who should have known did know."

Three junior security police officers under Colonel Pietruszka's command, Captain Grzegorz Piotrowski, Lieutenant Leszek Pekala and Lieutenant Waldemar Chmielewski, have admitted abducting and killing the priest.

Colonel Pietruszka, who denies aiding and abetting them, is also accused of trying to cover up the crime. All face possible death sentences.

Father Popieluszko, a leading supporter of the banned Solidarity free trade union, vanished near Torun on Oct. 19. His strangled body was recovered from the Vistula River 11 days later.

The colonel said that he had lied on General Platek's instructions about when he found out that Captain Piotrowski's car was in the northern town of Bydgoszcz the day of the murder.

Last week, he gave evidence that General Platek told him about the car on Oct. 21 and ordered its removal from the Interior Ministry's garage. But he said he did not believe that General Platek was trying to organize a cover-up.

Monday, he repeated that the date was Oct. 21 but that General Platek told him to tell the investigators it was Oct. 22. He did not elaborate.

Colonel Pietruszka said one of the first reactions at the Interior Ministry to Father Popieluszko's disappearance was that it was a provocation organized by underground Solidarity and that he had gone to a monastery to meet the union's underground leader, Zbigniew Bujak.

## WORLD BRIEFS

### Warsaw Pact Meeting Is Postponed

MOSCOW (Reuters) — A Warsaw Pact meeting scheduled to be held this week in Bulgaria has been postponed indefinitely, according to an official announcement to be published in a Soviet newspaper Wednesday.

An editorial spokesman for Sovetskaya Rossiya read the text of the brief announcement, which said the decision was reached by mutual agreement of the pact members. It stated: "By mutual agreement, the routine meeting of the political consultative committee of the governments of the Warsaw Pact planned for the middle of January 1985 has been postponed to a later date, which will be decided."

The political consultative committee is the highest and broadest forum of the seven-member Soviet-led alliance, including the Communist Party leaders and prime ministers. Foreign and defense ministers also were expected to attend the meeting in Sofia, the first committee meeting since one in Prague in June 1983.

### China Denies Arms Accord With U.S.

BEIJING (AFP) — China denied on Monday a report that it had concluded agreements with the United States covering the sales of U.S. military hardware to modernize its fleet and courtesy calls by U.S. destroyers to Chinese ports.

China and the United States have not signed any agreements, said Shi Ziyuan, a senior official in the department of foreign affairs of the People's Liberation Army. Mr. Shi added that Beijing would make an announcement on these questions at a press briefing on Wednesday.

A report by The Washington Post on Friday quoted U.S. officials as saying that Beijing and Washington had reached an agreement on the purchase by China of sonars, torpedoes, gas turbine engines for warships and rapid-fire, anti-missile guns. Mr. Shi dismissed the report as "incorrect."

### Sri Lanka Concedes Army 'Excesses'

NEW YORK (AP) — President Junius R. Jayawardene of Sri Lanka acknowledged in an interview published this week that the armed forces have committed "excesses" in dealing with a Tamil insurgency.

"There have been excesses by the armed forces," he said in an interview published in Newsweek magazine. "We don't deny them. These things happened in Vietnam, in Londonderry. They happen in India every day." Mr. Jayawardene also said that he would hold no more talks with the Tamil United Liberation Front "unless they give up their call for a separate Tamil state."

### Japan to Restrain Nuclear Dumping

PORT MORESBY, Papua New Guinea (AP) — Prime Minister Yasuhiro Nakasone of Japan said Monday that Japan would not dump nuclear waste in the Pacific Ocean against the wishes of other countries in the region.

Mr. Nakasone gave the assurance to Prime Minister Michael Somare of Papua New Guinea on the first day of a one-week trip that will also take him to Australia and New Zealand on a mission to improve Japan's standing in the South Pacific.

The Japanese leader stopped in Fiji earlier Monday for brief talks with government leaders.

### Europe Still Shuddering With Cold

PARIS (Reuters) — Subfreezing temperatures continued Monday in Europe for the eighth day, causing problems with transport and industry from the Danube in Romania to the canals of Amsterdam.

Officials in France said 107 people had died because of the cold wave that started Jan. 6. At least 34 people have died in Spain, where Mediterranean beaches were covered with 20 inches (50 centimeters) of snow. Snow and ice closed seven Italian airports — Venice, Genoa, Trieste, Turin, Bologna and two at Milan — and London's second airport at Gatwick.

Late deliveries of spare parts closed factories in France. Market gardeners in Spain, Portugal and southern France estimated crop damage in the tens of millions of dollars.

### Correction

The headline with the U.S. Credit Markets story Monday was erroneous. It should have said that bond prices dropped because of fears about a higher money supply.

## Visiting New York City?

### Gramercy Park Hotel

Distinguished 500 room hotel with excellent

Restaurant, Cocktail Lounge, Room Service and Piano Bar.

Overlooking Gramercy Park with newly decorated, comfortable rooms.

Singles \$80-90

Doubles \$85-95

Suites \$110-150

Group rates and attractive monthly rates available.

Call Gen. Mgr. Tom O'Brien (212) 475-4320

Telex 668-755

Cable GRAMPARK

21st St. and Lexington Ave. New York, N.Y. USA 10010

**UNIVERSITY DEGREE**  
For Life, Academic & Work Experience  
You may qualify for  
BACHELOR'S, MASTER'S OR DOCTORATE  
Send detailed resume  
for a free evaluation  
**PACIFIC WESTERN UNIVERSITY**  
10200 Ventura Blvd. #117, Encino, CA 91436 U.S.A.

"Who makes  
the little software masterpieces  
that fit my PC perfectly?"

1001010155A

## Corporate Discipline Coming to White House

### Regan Expected to Streamline Staff, Exert More Concentrated Authority

By David Hoffman

WASHINGTON — In his new assignment as the White House chief of staff, Donald T. Regan intends to impose a sense of corporate order and discipline on one of the most powerful jobs in U.S. politics, with President Ronald Reagan as the chairman of the board and himself the "chief operating officer," close associates say.

"Regan is a corporate creature. For a long time, he's been a division head who had complaints about headquarters," said a senior official who has worked with Mr. Regan while he has been Treasury secretary. "Now he's coming to headquarters."

The president last week agreed to a job swap between Mr. Regan and James A. Baker 3d that could leave Mr. Baker with far more centralized authority than was held by Mr. Baker, who shared power with Michael K. Deaver, the deputy chief of staff, and Edwin Meese 3d, counselor to the president. Mr. Deaver is leaving for a public-relations job, and Mr. Meese has been renominated to be attorney general.

"I'll be doing the whole thing now," Mr. Regan told a group of wire-service reporters Friday. "I'm not trying to grab power. I'm trying to fill a void."

"I saw the vacuum coming and felt that someone who had a knowledge of staff work and the issues would have to get in here and get in quick," he said. "To use a hockey term, we're changing lines here on the fly."

How Mr. Regan handles this new power could be critical in coming months as the president tries to exploit his landslide re-election in pursuing his policy goals in Congress. It is all the more important given the president's tendency to delegate authority to key lieutenants.

While Mr. Baker had become a highly respected political tactician at Mr. Reagan's elbow, Mr. Regan, 66, comes to the post with little experience in politics. Skeptical colleagues in the administration and in the Republican Party wondered last week whether this will prove to be a serious handicap.

In an interview last week, Mr. Regan acknowledged that he is short on political experience but said he intended to hire "experts" to help him. "You've got to remember that the man I'm advising and helping has had a great deal of political experience on his own," he said.

Many other officials said in interviews last week that Mr. Regan would bring to the White House a sense of rejuvenation and energy, which they said Mr. Baker had lost after four frustrating years in the post.

Mr. Regan is "a fighter, he rolls with the punches, and he comes back and adapts," said Kenneth L. Khachigian, a former Reagan White House speechwriter and now a private consultant. "It's a good trait for anybody going to work in that environment."

A senior Treasury Department official, speaking on the condition that he not be identified, said Mr. Regan believes that once a decision is made, "if you're going to be on that team, you're going to support that decision, or you get the hell off the team."

Mr. Regan's close associates talk about "more discipline" and a "tighter ship" with a corporate motif when he takes over after Mr. Baker is confirmed as Treasury secretary. Mr. Regan's attitude is that "Regan is the chairman of the board, and he is the chief operating officer," one said.

At the next level, there are indications that Mr. Regan intends to rely on a handful of deputies — "you might call them division heads or corporate vice presidents," said the official — for such broad areas as domestic policy, congressional relations, communications and running the White House.

"There are something like 18 assistants to the president now," said another Republican official who worked in the Reagan White House. "I think you're going to see a lot fewer."

The ascension of Mr. Regan, a Wall Street maverick who was chairman of Merrill Lynch & Co., may portend a stronger role for the White House in domestic policy, several officials said.

One likely possibility, officials said, is that Mr. Regan will attempt to set up an economic-policy unit within the White House modeled after a similar office in the Ford administration. The idea would be to give Mr. Regan an in-house base for economic policy-making.

"For the first time in the Reagan presidency, there is an opportunity to structure the White House in the single, strong chief-of-staff tradition that was a hallmark of the Eisenhower presidency," said Richard G. Darman, who worked closely with Mr. Regan during Mr. Regan's first term.



Donald T. Regan: "I'm trying to fill a void."

## Democrats Watch, Wait On a U.S. Budget Plan

By Jonathan Fuerbringer

WASHINGTON — Democrats in the House and Senate say they will let the Republicans take the lead in formulating the budget, a strategy they acknowledge could hurt their efforts to re-establish the party's leadership role.

The approach poses risks for their party, which suffered a crushing defeat in the presidential election in November. Still, they argue that the White House and Senate Republicans have the responsibility to make the first attempt to cut the budget and reduce the deficit.

Robert J. Dole of Kansas, the Senate majority leader, is looking to 1986, when 22 Senate Republicans are up for re-election. He says he wants to cut the deficit now to put the economy in the best possible shape and help Republicans keep control of the Senate.

"I think mostly we're sitting and watching," said Lawton Chiles of Florida, the ranking Democrat on the Senate Budget Committee. "We haven't been invited to the party yet."

The Senate minority leader, Robert C. Byrd of West Virginia,

said: "It is not frustrating to see Mr. Dole get out front. He is the majority leader and he has the major responsibility in this matter."

Representative Richard A. Gephardt, Democrat of Missouri, said his colleagues in the House "will not act until this president tells us what he wants and until the Senate has done something with the budget."

"We've got a bystander president who's not leading the country," Mr. Gephardt said on a television interview program. "And until he does, you're not going to resolve the problem."

Some House Democrats acknowledge that if Senate Republicans can push a deficit reduction package through the Senate, it will make the Democrats' effort to regain the leadership role in fiscal and domestic policy more difficult.

There are political risks for Mr. Dole as well. If he fails to push through a package to reduce the deficit, he holds the responsibility for the failure, one Democrat said. But if Mr. Dole succeeds, the majority Democrats in the House will be challenged to come up with a comparable deficit reduction.

## Judge Closes Courtroom as Time Gives Arguments

The Associated Press

NEW YORK — The judge presiding over Ariel Sharon's libel suit against Time magazine closed the courtroom on Monday for an hour to allow the magazine's lawyers to talk to the jury about a confidential letter involving secret Israeli documents.

The closing, over the objection of news organizations, came as Judge Abraham D. Sofaer of the U.S. District Court prepared to give jurors instructions for deliberations.

Mr. Sharon is suing Time over a Feb. 21, 1983, cover story that said he discussed revenge for the assassination of Lebanon's president-elect, Bashir Gemayel, with Phalangists a day before the Christian militiamen massacred Palestinians in Israeli-occupied West Beirut. Mr. Sharon was Israel's defense minister at the time of the massacre in September 1982.

In its Jan. 21 issue, Time published a correction saying that the story that prompted the suit contained an error but that the magazine stood by the story's substance.

In court, Thomas D. Barr, Time's chief lawyer, asked to read to the jury a letter from Time's Israeli attorney that lists objections to the scope of an Israeli review of the secret documents.

Judge Sofaer said he had to clear the courtroom "out of respect for the agreement with the state of Israel."

In its correction, the magazine said of its lawyer's review of the secret documents: "Based upon his examination last week, Time now issues a correction: Appendix B does not contain further details about Sharon's visit to the Gemayel family. Time regrets that error."

The 1983 Time story said that information backing its claim that Mr. Sharon discussed revenge was contained in a secret appendix to an Israeli commission that investigated the massacre.

Yitzhak Kahan, who headed the commission, reported that the review of secret commission documents, including Appendix B, did not corroborate Time's claim.

The Time correction added, "Time stands by the substance of the paragraph in question: that 'Sharon also reportedly discussed with the Gemayels the need for the Phalangists to take revenge for the assassination of Bashir, but the details of the conversation are not known.'"

## Argentina's Plague of Violence

### Political Attacks Persist in First Year of Democracy

By Jackson Diehl

WASHINGTON Post Service  
BUENOS AIRES — The incidents occur with tortuous regularity, relentlessly reminding Argentines of a past they long to forget. A bomb explodes outside a political party office. A union organizer is abducted and tortured. A journalist is beaten on a busy downtown street.

All through its first year of democratic government, Argentina has been plagued with a subdued but persistent undercurrent of political violence. The attackers mostly have been shadowy squads of men who rarely have been captured or publicly identified.

The principal targets, however, have been clear: human rights advocates, union organizers, politicians, social workers and students struggling to consolidate their work after eight years of military rule.

"This series of incidents, which have in common intimidation and fear, seek to test the strength of democracy," Raúl Galvan, undersecretary of the Interior Ministry, said recently.

Since the beginning of 1984, authorities have reported about 40 bombings around Argentina, as well as at least 18 cases of persons detained, questioned and beaten by paramilitary squads.

There have been six politically oriented attacks by armed men and dozens of threats. In addition, the authorities uncovered an assassination plot against President Raúl Alfonsín and defused a bomb planted on the plane of Isabel Perón, a former president.

Government officials publicly describe the violence as isolated "residues" of 10 years of conflict between extremists of the left and right. Interior Minister Antonio Tróccoli has frequently attributed the trouble to "the unemployed manpower" of paramilitary squads responsible for thousands of abductions and assassinations during military rule.

Many politicians and human rights advocates, however, say the problem is more serious. The incidents, they say, represent a concerted campaign by organized groups on the right and within the armed forces to destabilize democracy and return Argentina to its "dirty war" of the 1970s.

"There is a doctrine and a mentality and an established procedure behind it," said Emilio Mignone, the president of the Center for Legal and Social Studies, a human rights organization. "These people think they are fighting to prevent the country from falling into Marxism."

Many Argentine analysts say the nation's violent tensions are likely to increase in the coming months as

President Alfonsín's government nears a confrontation with adversaries on the right and in the military over human rights cases. Another possible trigger to violence is upcoming ratification of a proposed treaty resolving the territorial dispute with Chile over the Beagle Channel.

The year-long dispute over trials for human rights charges intensified last month when the Supreme Court ruled that a federal civilian court could try nine former military commanders accused of directing repression. The military's own judges earlier refused to carry out the trials, and the otherwise fractious military leaders have united in opposing sanctions against their former chiefs.

The Senate is soon expected to begin an arduous debate over the Beagle Channel treaty, negotiated by the Vatican, that would award Chile control over three small islands at the southern tip of South America. The dispute nearly provoked a war between the two countries in 1978.

The settlement has already inspired a wave of violence by nationalist groups, and was believed to be the cause of a plot to assassinate Mr. Alfonsín when the presi-

dent visited the city of Córdoba for a pro-treaty rally in November. "These groups have been pushed further and further into isolation under democracy," said a presidential adviser, Dante Giadone. He noted that both the treaty with Chile and the trials of military commanders have been supported strongly by the public.

The most serious threat, authorities say, comes from organized paramilitary groups that appear to have continued the military's violent methods of repression and intimidating perceived political adversaries.

Some of the most celebrated incidents have involved members of the government commission that worked until September to investigate the thousands of disappearances during military rule.

The homes of the commission's representatives in the cities of Córdoba and Mar del Plata and the office of a commission member in Rosario were seriously damaged by bombs, and a charge exploded at a Buenos Aires television station in July as it broadcast a commission-sponsored documentary.

A number of less-prominent activists have been detained, beaten, interrogated and in some cases tortured by paramilitary squads.

A typical case occurred late in October, when Lilian Pérez, a local official of the populist Peronist Party, was seized by four men traveling in unmarked vehicles as she walked through downtown Buenos Aires.

Mrs. Pérez said she was blindfolded and taken to an underground garage where she was beaten, burned with cigarettes and interrogated about the activities of party leaders.

## Report Says Argentina Is Rebuilding Military

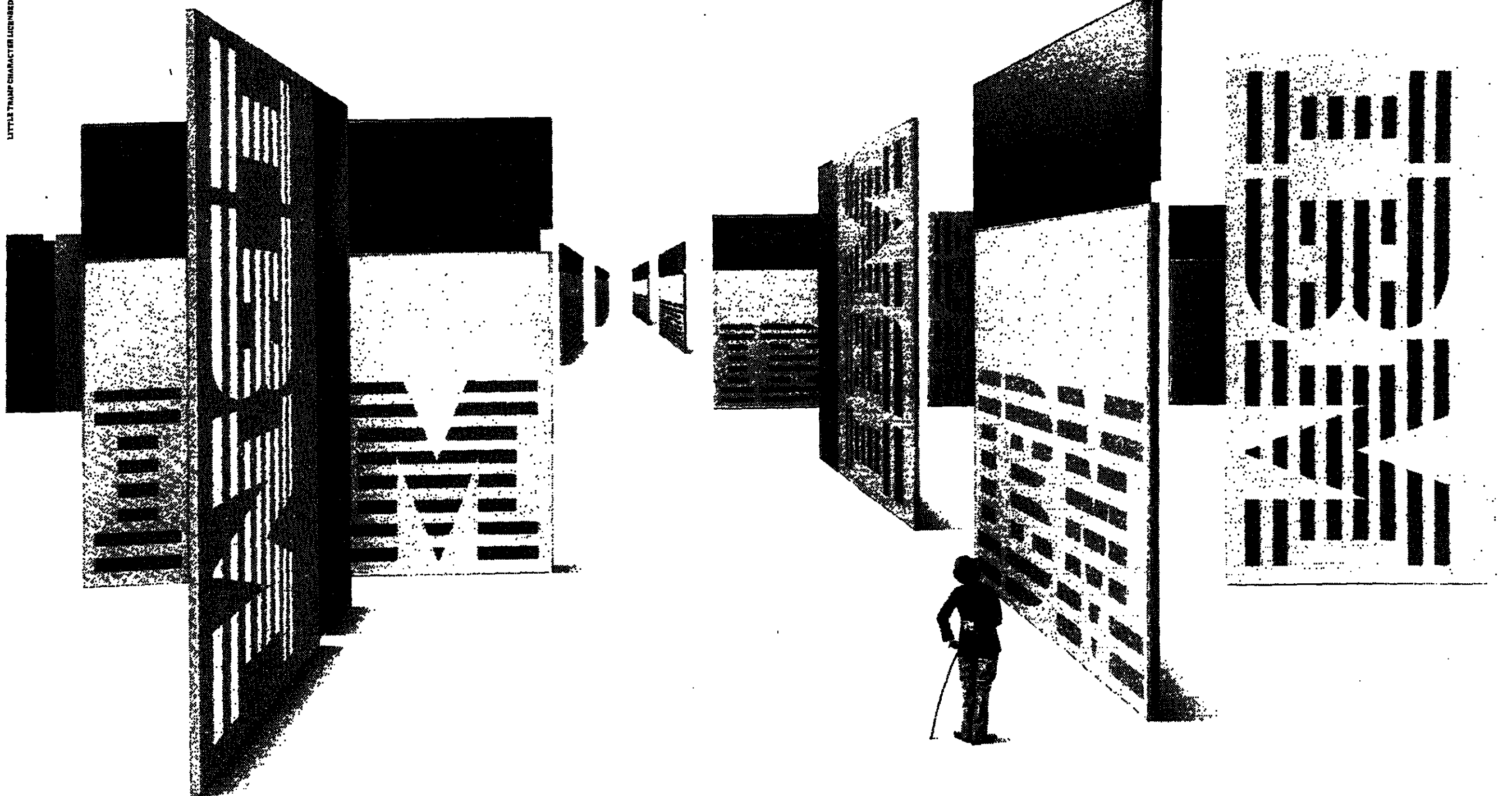
United Press International

LONDON — Argentina has rebuilt its armed forces to a level where it could now wage a "war of attrition" against the Falkland Islands, a report by the Bradford University School of Peace Studies said Monday.

Argentina now has 30 more front-line combat aircraft than it did when it invaded the Falklands in 1982, and is thought to have 28 Exocet missiles, compared with five during the 1982 conflict with Britain, the report said. The study said it did not appear that Argentina intended to increase the level of confrontation with Britain or make another attempt to occupy the islands.

**TRANSLATIONS**  
French, German, Spanish, Italian, Portuguese, Dutch, Danish, Norwegian, Swedish, Russian, Czech, Slovak, Polish, Serbian, Croatian, Bulgarian, Romanian, Hungarian, Finnish, Greek, Latin, Albanian, Arabic, Turkish, Persian, Malay, Vietnamese, Lao, Cambodian, Thai, Indonesian, Korean, Japanese, Chinese, etc.  
**ABC** 44 R. N.D. DES VICTOIRES  
PARIS 7<sup>e</sup> TEL. 236.13.03  
FASTER - CHEAPER

**TED LAPIDUS**  
SAINT - HONORE  
**Man SALE Woman**  
23, FAUBOURG ST-HONORE - PARIS 8<sup>e</sup>



You may be in for a surprise. Now the same company that brought you the Personal Computer brings you outstanding programs to go with it.

Which means when you select our new software, you can be certain it will take good advantage of the power and special features that moved you to buy an IBM PC in the first

place. After all, what could be more compatible with IBM than IBM?

To be perfectly honest, we took our time bringing this software to the market. But it was time well spent. Researching and testing, then re-testing and re-researching. Until we got it exactly right. The result is software that truly deserves the IBM

signature. It's powerful, easy-to-use, and comes with clearly written operating instructions.

All of the new IBM software will run on the Personal Computer, Portable PC, PC XT, and most on the new PC AT. And some of the packages were designed to work together. So you can transfer data

from one to the other. For example, IBM's new integrated programs - The Assistant Series.

Before you buy your next piece of software, visit one of the IBM Authorized Dealers or Retail Centres and take a look at our latest masterpieces.

They're on show now.

**IBM**



# Herald Tribune

Published With The New York Times and The Washington Post

## A Pershing in Flames

It was a disturbing incident Friday when a Pershing-2 rocket motor ignited into a flash fire while it was being lifted out of its shipping container at a U.S. military base in West Germany. The missile was unarmed and the danger to civilians was reported to be nonexistent. Still, three American soldiers died and 16 were injured. Any accident having anything to do with a nuclear missile has a broad emotional fallout, and this one was no exception.

The Pershing was one of 108 such missiles which, along with 464 cruise missiles, the United States began deploying in Western Europe a little more than a year ago at NATO's behest, to counter the SS-20 missiles that Moscow had begun deploying more than four years earlier. Half of the Pershings are now in place. Everything about these U.S. deployments remains of high political sensitivity, including the response to the latest accident.

The governing West German coalition led by Chancellor Helmut Kohl, which resolutely supported the American deployments, avoided comment on the Pershing fire. This unfortunately gave the field to political elements that had opposed the deployments. The Social Democrats said the fire raised the question of whether the Pershings are "technically up to scratch" and called for a parliamentary probe. The Greens said the fire provided "further

reason" for the immediate withdrawal of all the missiles. The opposition is unlikely to do more with these calls than make political hay. Still, would it not have been better if the Kohl government had immediately accepted a responsibility to see to it that the new missiles pose no unacceptable hazards to the German population? There has never, in the West, been an accidental nuclear explosion. There appears to be no reason to have feared an explosion in this instance. But nuclear accidents are understandably keen for many Western citizens of all political persuasions and these anxieties need to be treated and respected by Western governments whenever the occasion arises.

The U.S. Army is conducting no fewer than three investigations. Its alertness in responding to this embarrassment is welcome. If, as seems probable, there is an innocent and simple explanation, then it will help to have it provided promptly and publicly. Yet there is a nagging question: Why three investigations? The number suggests a certain confusion about where the responsibility for these missiles actually lies. This has been a recurrent problem, or one to which the public has been exposed recurrently, in recent years. There never seems to be a straight line of responsibility, at least when things go wrong.

—THE WASHINGTON POST.

## The Costs of Free Trade

Why should sweater makers in Hong Kong be permitted to drive New York City garment workers to the unemployment lines? Why should Chile's nationally owned copper company be allowed to force mines in Arizona out of business? Why must steelworkers in Gary, Indiana, have to compete with those in South Korea who make \$2 an hour?

There is a good answer to all such questions: Open markets are vital to America's economic interests. But undeniably, free trade creates losers as well as winners. And those who understand the value of free trade have a political, and moral, duty to try spreading the pain more equitably. Open markets serve the United States in tangible ways. Unfettered trade gives consumers access to a greater variety of products at lower prices. Trade forces domestic industries to adjust to changing technology before they become hopelessly inefficient. Perhaps most important, trade is the primary source of hope for the world's poor.

But the advantages of open trade apply to the economy generally. Specific sectors can suffer greatly. Americans are better off if they can buy winter vegetables from Mexico at lower prices, but unemployed farm workers in Florida are not. Grocers and shoe store owners in the crumbling mill towns of western Pennsylvania have no reason to rejoice over the cheap, high-quality steel coming from Brazil.

To try sharing out the sacrifice, the U.S. government started the trade adjustment assistance program in the 1960s. A few hundred million dollars was spent each year on retraining and extra unemployment benefits for workers displaced by imports. But the program never had a constituency. Unions, seeing it only as an alternative to protected, high-paying jobs, labeled it "burial insurance." Liberals saw no reason to favor a relatively small group of workers over worse-off victims of racism or hard-core poverty. So there was little resistance when the Reagan administration last year lobbied to kill the assistance program.

True, the \$20-an-hour auto workers who refuse to take big pay cuts to preserve their jobs do not need assistance as desperately as ghetto teen-agers who cannot read. True, the trade adjustment money was not spent effectively. But it still makes sense, practically and philosophically, to pay politically powerful workers to end their opposition to import competition. Consider the steel industry. According to Robert Crandall, an economist at the Brookings Institution, it costs \$100,000 a year in higher prices to protect the job of a single American steelworker.

Nor is it necessarily beyond the capacity of government to provide limited, well-targeted aid to ease the transition for businesses, workers and communities. Such aid might include training and relocation allowances for younger workers, speeded-up pensions for older workers, subsidized loans for companies and cash grants for affected communities. Assistance would be linked to specific cost-cutting concessions from labor and suppliers and to a gradual reduction of protective capacity. Japan, for example, has managed just such a program for its aluminum industry.

Industry by industry, the battle to maintain open markets is being lost. With nothing else to offer constituents victimized by rapidly changing trade patterns, elected officials succumb to protection. If the drift continues, if Washington continues to deny the possibility of general interest solutions to special interest problems, the economic cost will be enormous.

—THE NEW YORK TIMES.

## GM's Saturn Experiment

To build a totally new car, General Motors is going to begin by building a totally new company. Its Saturn Corp. will be a great experiment for the U.S. industrial economy. The people who run GM, it seems, finally lost their tempers after years of being needed and chided for their inability to compete with the Japanese. They got fed up with the figures showing that labor productivity in their plants was a third lower than in the Japanese factories. They understood that, if GM was to keep selling American-made cars, it was going to have to make them in radically different ways. That is what its new subsidiary, the Saturn Corp., is going to represent.

Traditionally the American automobile industry achieved high productivity through very long production runs. That worked beautifully in the 1950s and 1960s, when the rate of innovation was low. But that era ended in the 1970s. Success had made GM vulnerable. It had turned into a gigantic organization with its own entrenched habits and rigidities. New ideas were always introduced in the shadow of old habits. That is why GM is now going to create a wholly new company, outside the established organization.

As an intermediate step, GM has entered a joint venture with Toyota, that under Toyota's direction, is now producing cars in Fremont, California. GM's chief interest is to see whether

er Japanese methods of management and labor relations can work well with American managers and American production workers who belong to an American union. So far, although the operation is still in an early stage, it is going well. GM evidently feels that it is ready for the second, more dramatic step.

The Saturn project is going to tell the United States a lot about industrial innovation. It is a declaration that sometimes you cannot change the product without changing the structure of the team of people who make it.

In the Saturn plants, GM will push for labor productivity of a wholly different magnitude than ever achieved in U.S. auto manufacturing. That cannot be done with the traditional, almost military structure of the factory work force with its gradations of rank. Perhaps it cannot be done with the traditional management-labor adversarial relations. Saturn's workers will belong to the union, but the contract and work rules will be quite different from those governing GM's other plants.

It is a risky venture. The outcome may depend in the end on things that GM cannot control—like the exchange rate of the dollar. But it is heartening that this immensely important American company, hard pressed for more than a decade by its competitors overseas, is no longer on the defensive.

—THE WASHINGTON POST.

# Russia's Technology Gap: A Prod to Dynamic Reform?

By Jerry F. Hough

This is the first of three articles.

WASHINGTON — In the weeks leading up to the meeting between Secretary of State George F. Shultz and Andrei Gromyko, we heard a great deal about the competing factions in the administration in Washington. But what about the factions in Moscow? Might they be relevant to arms control negotiations?

Two basic problems have bedeviled the analysis of Soviet politics in recent years. First, we have failed to understand the driving forces and foreign policy imperatives of economic reform. Second, we have failed to understand the driving forces and foreign policy imperatives of the Soviet Union's foreign policy.

Today's Soviet Union is divided between the more conservative leaders, mostly older men, who fear change and are eager to make peace with the United States to avoid internal reforms; and others, mostly younger men, who are themselves divided on many foreign policy issues, but united in their desire to remake the Soviet economic system.

Ironically, a hard-line American policy, which in turn encourages Moscow's hard-liners, also boosts the boldest reformers — men whose political success could pose the gravest challenges to American interests. Perhaps the biggest single stimulus to internal economic reform is President Reagan's "Star Wars" missile defense program, which has confronted the Soviet leadership with a painful reminder of its own failures to match Western technological might.

If the elderly leaders now in power cannot find a political solution to the Star Wars challenge, the younger generation seems destined to reject their policies in favor of bold and adventurous new experiments intended to make the Soviet Union more innovative and competitive.

There is a central observation to be made here: The Soviet Union and Japan, the two industrial powers of the same time and both suffered grievously in World War II, but today Japan can compete effectively with

**Kremlin leaders must move toward integrating the Soviet Union into the world economy in a way that China is just beginning to do.**

the United States in the export of the highest-technology products, while the Soviet Union cannot even produce simple machinery that can be sold in Eastern Europe and the Third World. There is not the slightest evidence that the present economic system will ever be capable of solving this problem.

The traditional pretense that the Soviet system offered a model that other countries would want to copy has turned to ashes in recent years. Communist revolutions now occur only in the most backward countries. It is the Japanese model that is influential, and the Soviet Union looks as if it will fall behind not only Europe and Japan, but also South Korea, Singapore and maybe China.

In an interview published in the military newspaper Red Star last May 9, Marshal Nikolai Ogarkov, then chief of the Soviet general staff, went a step further. He hinted strongly that the Soviet economy was not capable of maintaining Soviet military equality with the West. Both in that interview and in an article published in November (two months after he was suddenly removed from his post), Marshal Ogarkov essentially said that nuclear weapons are unusable. The number of nuclear weapons is so great, he said, that "you do not have to be a military man or a scholar to understand that a further buildup of them is becoming senseless." The fact that all these points were repeated either verbatim or in stronger language in the November article was a signal that he was not removed for saying them — that the leadership essentially agrees.

In the May 9 interview, Marshal Ogarkov implied that conventional weapons or technological breakthroughs would be decisive. He painted the gloomiest picture of "the rapid changes in the development of conventional means of battle... (which) sharply raise the fighting capacity of conventional weapons, bringing them to the level of weapons of mass destruction in their effectiveness" and "the rapid development of science and of technology (which) create real preconditions for the appearance in the near future of still more destructive kinds of weapons based on new physical principles."

He pointedly cited a statement by Friedrich Engels about the dependence of the military upon the economy. These statements were not reprinted in the November article, a clear sign of how Marshal Ogarkov got in trouble with Konstantin Chernenko, the nation's leader. If the Soviet population senses that the traditional communist system will doom the Soviet Union to a progressively inferior world position and even threaten its military security, the stability of the Soviet system will be in jeopardy. The Russian people are not an inert mass; they conducted two of this century's most drastic revolutions, in 1905 and 1917. They are fully capable of another.

If the driving force of economic reform were simply the long lines in the stores and the poor selection of consumer goods and foods, reform would require difficult changes in social policy — a raising of the prices of items such as meat and bread, incentives for managers to economize on labor and to fire inefficient workers, toleration of riches for the innovative. These would not, however, have major foreign policy implications.

But because the problem is techno-

logical backwardness, the foreign policy implications go deeper. Leonid Brezhnev seemed to think that importing Western technology would solve Soviet difficulties, but now Soviet economists understand that the opposite solution is more appropriate. Soviet managers will never produce goods of world-level sophistication and quality unless they are forced to meet foreign competition. Soviet managers must be forced to export technology and to compete with that which is imported.

The Soviet leaders now must move toward integrating the Soviet Union into the world economy in a way that China is just beginning to do. But how is Soviet business going to compete if Russians do not develop a feel for Western society and tastes? How can this be done without permitting greater contact with Western (and Moslem) ideas? How can the Soviet Union move toward much more intimate contact with the world market without permitting greater economic integration of West Germany and East Germany, of Western Europe and Eastern Europe?

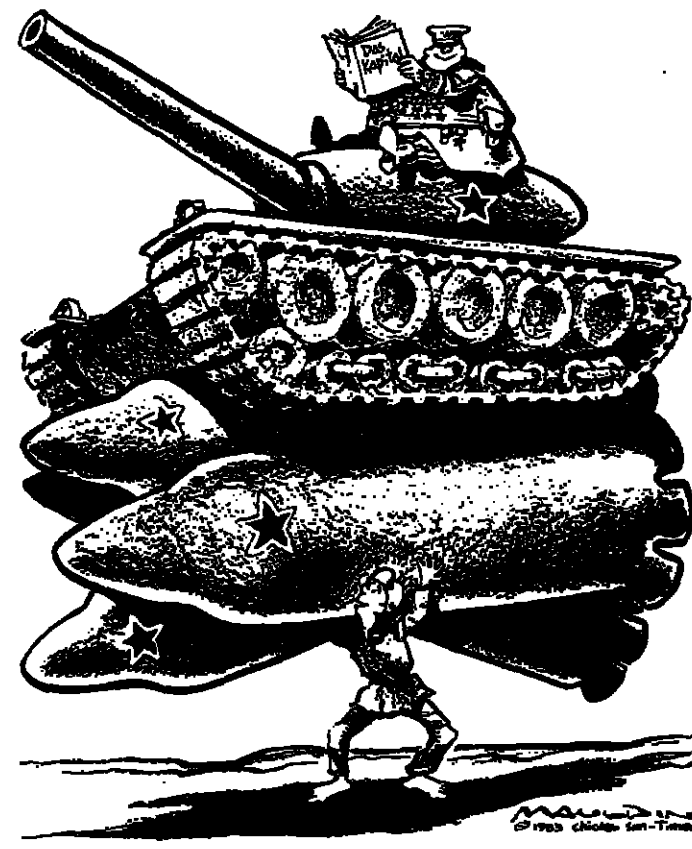
The answers to these questions are clear enough and raise a separate set of questions: How do reformers in Moscow sell a program that arouses workers' fears of higher prices and unemployment (fears that led to a Solidarity movement in Poland), the managers' fears of foreign competi-

tion and the conservatives' fears of the subversive impact of foreign ideas? And how do they do it when the United States is in an essentially confrontational posture?

If the published Soviet debates of the last two years are a guide, the answer is clear. The Soviet leaders sell their reform ideas with anti-Americanism. Like Marshal Ogarkov, they talk about the relationship of Western technology to modern weapons and suggest that military security demands reform. Like the new director of the major international relations institute IMEMO (Alexander Yakovlev), the former editor of the government newspaper Izvestia (Lev Tolstoy) and the former ambassador to West Germany (Valentin Falin), they speak about a messianic, repulsive American political culture with which it was always impossible to do business, even under President Nixon.

And they sell it in private counsels, according to my Soviet informants, with anti-American proposals for moves to woo Western Europe and Japan with concrete gestures. These could include returning to Japan the four disputed islands Moscow seized after World War II, allowing the Japanese to build Toyota plants in Siberia or permitting real West German-East German rapprochement.

The writer is a professor of political science at Duke University and a member of the staff of the Brookings Institution. He contributed this comment to The Washington Post.



'Read me again the part about the West collapsing under its own weight.'

## There Are Land Mines Under America's Big Banks

By Mortimer B. Zuckerman

NEW YORK — Despite some good financial news on the international front — the rescheduling of Argentina's debt, for example — the American banking system is still in trouble. Every major bank is sitting on a land mine of bad domestic loans, largely to farming and oil-related industries — a land mine that could explode and shake investor confidence in the banking system.

Virtually every sophisticated person is skeptical of management claims to have dealt with the problem. Continental Illinois' bad loans, for instance, turned out to be twice as large as management said they were. The result is that banks are increasingly vulnerable to rumor and possible panic. With worldwide 24-hour electronic banking, a crisis of confidence could erupt in minutes. Nobody runs faster than a sophisticated investor who gets scared. The run on a bank would be invisible: no lines of depositors outside the door, just telephones withdrawing funds.

In the next crisis, it may not be possible for federal authorities to quarantine the disaster, as they did with Continental Illinois. Confidence may be a more valuable commodity than cash.

How did the banks get into this mess? What can be done about it?

In the last 10 years there have been fundamental changes in banking economics and bank management philosophy. To begin with, the best U.S. companies, which used to constitute a big percentage of "prime" bank borrowers, abandoned the banks and began borrowing directly from the financial markets by issuing their own commercial paper. This left the banks with lower-quality borrowers.

Second, inflation in the 1960s and 1970s led to higher interest rates and induced depositors to withdraw funds from banks and invest instead in money-market funds, which were not restricted by interest-rate ceilings that applied to the banks. The banks then pushed for elimination of these ceilings to attract new depositors.

But to cover the cost of higher interest rates, the banks invested their funds in loans that sacrificed quality for yield. Third, members of the Organization of Petroleum Exporting Countries deposited vast amounts of petrodollars in major U.S. banks. To recycle these huge inflows, the banks made loans to large borrowers, mainly Third World countries, on terms that sacrificed quality for volume.

Finally, on the domestic front, the banks made heavy loans to companies with assets benefiting from an inflation assumed to be endless. When inflation dropped in the '80s, companies in industries such as oil, mining, shipping and land found their collateral and cash flow deteriorating as prices for their assets held steady or dropped.

While all this was happening, bank management changed its philosophy to one of high growth. But it is an iron law of banking that a bank is only as good as its customers; and in their pursuit of growth, the banks loaned too much money to weak borrowers.

What is to be done? First, increasing bank capital must be the cornerstone of efforts to stabilize the banks.

Federal authorities must force banks to rebuild capital and increase loan loss reserves, and simultaneously restrict banks from expanding their business at a rate above that supportable by their capital base. It is a time for bankers to be safe rather than smart.

Second, the Federal Reserve and the Federal Deposit Insurance Corp. must continue as lenders of last resort to insure banking liquidity. Banks must be perceived as a safe place to keep money you cannot afford to lose.

Third, the Fed and the nation's political leaders must act to lower interest rates decisively. The central issue is the deficit. The single most destabilizing factor in financial markets is the uncertainty bred by an economy burdened with \$200-billion deficits as far as the eye can see. These deficits, which create strong upward pressures on interest rates, could unravel the economy. To paraphrase Trotsky: "You may not care about the deficit, but the deficit cares about you."

Traditionally, banks have been housed in imposing buildings with massive columns and doors, and other architectural artifacts symbolizing security and safety. Today many banks are selling and leasing back their headquarters buildings to raise capital. The reality is that these structures are now becoming liabilities rather than assets. If we do not act, Willie Sutton, the famous bank robber, may be the last to say of banks: "That's where the money is."

The writer, publisher of the Atlantic Monthly and chairman of U.S. News and World Report, contributed this comment to The New York Times.

## Capital Punishment: A Legal Bloodbath Deepens

By Tom Wicker

NEW YORK — When the Supreme Court reinstated capital punishment in 1976 — 38 states now authorize it, including four by hanging and four by firing squad — I believed there would be few executions, that the public wanted criminal justice, not necessarily capital punishment.

I was wrong; gradually, and with little public protest — quite the opposite — the bloodbath has deepened: one execution in 1977, two in 1979, one in 1981, two in 1982, five in 1983, 21 in 1984, three already in 1985 and two more scheduled this month.

If January's pace holds, there will be 60 executions in 1985, perhaps 20 of blacks; on that scale, it is legally and statistically likely that one or more of those killed will be innocent or not mentally responsible. A strong proponent of capital punishment, Senator Specter of Pennsylvania, a former prosecutor, was recently asked on television whether he worried about "mistakes" being made in carrying out the death penalty. "Yes, I do," the senator said. But,

he added, "the way the criminal trial system works today, with the numerous procedural safeguards, the likelihood of a mistake is really very, very, very remote."

Last week the state of Georgia put to death a 28-year-old black, Roosevelt Green, for a 1977 murder he insisted he did not commit and that another man admitted having done; Mr. Green was described by the trial judge in a report to the Georgia Supreme Court as only "an accomplice in a murder committed by another person." The report said Mr. Green's "participation in the homicidal act was relatively minor."

Carroll Moore, another black sentenced to death for the same murder (of an 18-year-old white woman), old and a prisoner inmate that Mr. Green was not even present during the shooting. Five years ago, the U.S. Supreme Court ordered another trial; a Georgia jury again imposed the death penalty. Earlier this month the Supreme Court, on a tie vote, refused

to intervene. So did the Georgia Board of Pardons and Paroles.

So much for "procedural safeguards" and the "very, very, very remote" possibility of a mistake being made. Does one reversal and one vote in the Supreme Court suggest the certainty of guilt? Should that not be enough uncertainty to stay the hand that throws the switch?

On Jan. 24, for a different example of the infallibility of modern justice, the state of Virginia intends to execute Morris Mason, a black man with an I.Q. of 66 who has been diagnosed as a paranoid schizophrenic. Is he so clearly responsible for his behavior — a brutal rape and murder — that he must be killed? Even though he requested to be taken off the streets before he committed the crime?

The separate sentencing procedure required since 1976 for imposition of the death penalty may reduce but cannot eliminate "mistakes"; it has not eliminated racial prejudice. Almost two-thirds of death row inmates

are in the South, particularly Georgia, Florida and Texas; and about two of every five death row inmates are black. Studies show that a black convicted of murdering a white is more likely than any other defendant to receive the death penalty.

And the racial skew obvious in execution statistics since they were first kept in 1930 is as visible as ever. The first five executions, from 1977 to 1982, were of whites; since then, 11 of 30 persons executed — more than a third — have been black.

As the legal bloodbath deepens, Americans may think, as Mr. Specter does, that they are deterring crime; but that is a belief no one can show to be a truth. In fact, like New York's subway gunman, like Dirty Harry in the movies, Americans are only striking back at criminals, however futile, indiscriminate or unfair the blows.

Some might call this reaction "understandable"; but in some circumstances, even murder might be understandable. That does not make killing admirable, or a bloodbath clean.

The New York Times.

## For Reagan's Inaugural, a Few Tips

By William Safire

MIAMI — What will be at the center of Ronald Reagan's concerns this week? What will be spending his time on?

Not the reverberations from the departure of a trio of cronies. (A cartoon by Morin in the Miami Herald shows the president, on his knees, clinging desperately to Nancy Reagan in her overcoat, as she says, "Honestly, dear! I'm only stepping out to do some shopping!")

Nor does he feel the need to urge on the Senate majority leader, Robert Dole, who tells Democrats that no tax increase is possible this year, thereby using the threat of a four-year, trillion-dollar deficit to force cuts in the growth of entitlements and military spending.

Nor is Mr. Reagan worried about Andrei Gromyko's interpretation of last week's semi-summit in Geneva. That was last week's Topic A, and presidents work in what to the rest of us is the world to come. His mind is fixed on the yellow pad in the folder marked "Second Inaugural Address." This is the 50th U.S. inaugural and Mr. Reagan is the 40th president, but just over a dozen men have been blessed with the opportunity to rededicate their administrations, to deliver a second inaugural.

On an occasion filled so high with difficulty, here are a few tips on how to help a nation disenthrall itself:

First, fit the message to the place. This is an outdoor speech, with the Capitol dome in the background, and the speaker's breath shown in vapor in the frigid air. This is the place for homely grandeur, not intimacy of ex-

pression, and the place for great themes to be evoked rather than a program to be sold. Time enough later on, in the State of the Union address, an indoor speech to the Congress, to flesh out that theme.

Next, suit the theme to the time. This is not a first inaugural, which traditionally breaks with the past and sets new departures, new deals, new directions. A second inaugural must not merely restate the first inaugural's goals, but should show how second-term goals build upon and reach beyond those of the first.

A unity theme, for example — a reminder that we are "we, the people" — is more appropriate to a first inaugural after a squeaker victory. When Richard Nixon called in his speech-writing team after his 1968 election, he asked: "Anybody here read Polk's inaugural?" We confessed to having been absent during the study of Polk in Speech Writing 101, but Mr. Nixon — narrowly elected amid the divisions of the Vietnam War — was reaching for the appeals of the first chief executive seeking to be "president of all the people."

But Ronald Reagan has been reelected in a landslide. The nation is as united as it is ever likely to be. A big majority has said, "We're with you, Mr. President," now it remains for Mr. Reagan to tell us where he would like us to go.

The Reagan first-term themes — Growth Without Inflation, Peace Through Strength, Return to Tra-

ditional Values — can be restated with effect, but the question arises: How have these evolved after four years? What will he be doing to speed the return of Washington's power to "we, the people?"

Inflation is down; what sacrifices are required to sustain growth and cut deeply into unemployment? We have regained our strength and induced the Russians to renew arms talks — now what are his criteria for the kind of agreement he is seeking?

And yes, "Traditional Values" have gained new respect, but which values among patriotism, protection, privacy and piety does the president envision as being central to the coming four years?

In the stumbling summation at the end of his first debate with Walter Mondale, Mr. Reagan seemed to be reaching for a Vision of America; next Monday, perhaps he can encapsulate his goals with a half-dozen sentences that begin with the traditional "I see an America where..."

On his record to date, the president is likely to be remembered by future generations more for what he has represented than for those things he has said. He leads by being and refraining, rather than by doing and explaining.

If he can turn out a memorable inaugural address next week, and follow it with a State of the Union that picks up its themes and makes them specific, the re-sworn president will prove to his countrymen that he understands and can articulate the purposes of his leadership.

The New York Times.

## LETTER

### Japan's World Role

Regarding "Reckoning the Japan Variable" (Dec. 28):

Dominique Moisi's keen geopolitical analysis of Japan's diplomacy is simplistic in attributing to a "chameleon-like" society Japan's current multifaceted relationship with the United States, the Middle East, Southeast Asia and China.

Despite its political stability and economic progress, Japan is not yet seen as a bona fide partner on the world scene. It reacts to outside pressures but rarely takes initiatives.

One missing element in Mr. Moisi's reasoning is Europe. The European Community has never had a better opportunity to improve its credibility in Japan's eyes. While taking shelter under the American umbrella and dragging its feet on its regional peacekeeping responsibilities, Japan is looking for a more balanced relationship with the West. Europe is the natural partner, with a coherent policy toward Moscow and the Third World, and common interests with the Japanese on Middle East affairs.

Japan is indeed making great strides in developing a special relationship with China, but it incurs the risk of being severely criticized by Beijing when the Japanese defense budget exceeds 1 percent of its gross national product — and this at a time when the "four dragons" (Hong Kong, Singapore, South Korea and potentially Taiwan) are also vying for a share of the Chinese market.

JEAN BARTHELEMY,  
Tokyo.

## FROM OUR JAN. 15 PAGES, 75 AND 50 YEARS AGO

### 1910: Taft's Pay Raise Is Criticized

WASHINGTON — Had the President's daughter and son, Miss Helen and Robert Taft, remained in the House gallery a few minutes longer [on Jan. 4] they would have heard their father criticized by Representative Adair of Indiana for alleged extravagances of the Executive Department. Mr. Adair said the President's salary should not have been increased to \$75,000 a year, adding that a President "with practically no expense who could not save from an income of \$50,000 a year a sufficient sum to live in ease the balance of his life, in my judgment, does not have sufficient business capacity to direct the affairs of this great nation." As for the President's allowance of \$35,000 for vehicles, stables, etc., Mr. Adair argued that this was \$30,000 too much.

### 1935: Iraq Opens a Pipeline to Haifa

KIRKUK, Iraq — Pressing a button which set oil flowing through desert expanses, under the Tigris and the Euphrates, over the hills and below the cedars of Lebanon, King Ghazi of Iraq [on Jan. 14] inaugurated the 1,200-mile pipeline from here to the Palestinian port of Haifa. Sir Francis Humphreys, the British Ambassador to Iraq, and Earl Stanhope, British Parliamentary Secretary for War, were present at the ceremony. The pipeline took two years to lay, and cost over \$50,000,000. It connects the Mesopotamian oilfields with the Mediterranean. Eleven pumping stations, with dwellings for officials and engineers, have been erected between the terminals. The French branch of the pipeline, with a terminus in Syria, has been in operation for some time.

INTERNATIONAL HERALD TRIBUNE  
JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher  
Executive Editor: RENE RONDY  
Editor: ALAN LEONARD  
Managing Editor: ROBERT T. MCCABE  
Deputy Editor: SAMUEL ABT  
Associate Editor: CARL GEWIRTZ

Deputy Publisher: Associate Publisher: Director of Operations: Director of Circulation: Director of Advertising Sales: FRANCIS DESMAISONS  
ROSE D. KRANFELD

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92220 Neuilly-sur-Seine, France. Telephone: 747-1265. Telex: 612178 (Herald), Cables Herald Paris.

Director de la publication: Walter N. Thayer  
Asio Headquarters: 24-34 Hennessy Rd., Hong Kong. Tel. 3-285018. Telex 61170.  
Managing Dir. U.K.: Robin Mackenzie 33 Long Ave. London W1C. Tel. 836-4802. Telex 363099.  
S.A. en capital de 1,200,000 F. RCS Nanterre 2732021126. Comptes Paraires No. 61337.  
U.S. subscription: \$394 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1985, International Herald Tribune. All rights reserved.



## U.S. in Dilemma on Costa Rican Bananas

By Joanne Omang  
Washington Post Service

WASHINGTON — The Reagan administration is torn between its support for free enterprise and its support for Costa Rica, where the United Brands Co., a major fruit conglomerate, is shutting down half of its huge banana operation.

United Brands has grown and harvested bananas in four large plantations on Costa Rica's west coast since 1938, when the company was known as United Fruit and well-known for its involvement in Central American politics.

Latin Americans have long called the company "the octopus" and accused it of buying and selling politicians as easily as it did bananas. The government of Costa Rica, a country long held up as a showcase for democracy in Central America, fears that the company's reduction in operations could lead to leftist-inspired riots and economic disintegration.

An estimated 50,000 Costa Ricans still depend directly or indirectly for their living on the Pacific coast plantations. Costa Rica relies on the bananas for about \$40 million a year in concessionary payments and taxes on exports and workers' incomes, a crucial sum in the context of the nation's \$4-billion foreign debt.

After two people were killed and many others injured during a 72-day wage strike by leftist banana workers' unions last year, United Brands decided to shut down the operation in October. Production was damaged by the strike, and the company could no longer compete in the western U.S. markets with cheaper fruit from Ecuador and elsewhere, the company said.

"We recognize the severity" of the decision's impact, said George M. Skelly, United Brands' senior vice president and general counsel, "but we can't afford to continue something like this."

Mr. Skelly said the company would continue

its banana-purchasing and sales operations on Costa Rica's east coast and would continue paying 1,000 nonworking west coast employees at Costa Rica's request, in the hope of reaching a settlement.

Daniilo Jimenez, minister of the presidency of Costa Rica, said in a recent interview that "the social and economic consequences of this are enormous."

He said an International Monetary Fund agreement to help Costa Rica with its debt problems hinged on stable banana production and that United Brands has four years to run on its 50-year banana-planting contract.

"I trusted that the American government would be more interested in helping our little democracy to strengthen itself than in helping a company that may be, apparently, in breach of contract," Mr. Jimenez said. He and the Costa Rican foreign minister, Carlos Jose Gutierrez, met in Washington last month with State Department and United Fruit officials.

But the State Department has remained neutral in the dispute.

"We can't get involved in the commercial operations of a U.S. business overseas," a State Department official said.

"The U.S. government," he said, "is never going to lean on a U.S. business that feels it has to do something like that for purely commercial reasons."

The policy has frustrated other nations as well. The Dominican Republic tried last year to win special consideration for its sugar, which is practically its only export, but it was blocked by U.S. sugar interests. It has now threatened to default on its international debt.

Puerto Rico also faces a large unemployment problem, and despite its U.S. commonwealth status its diplomats routinely complain that they cannot get a hearing when Congress is

considering crucial tax and welfare legislation.

The situation has led some critics to assert that Washington pays no attention to friendly nations unless they are facing a communist threat and that U.S. aid rarely helps in solving structural economic problems.

The State Department official disputed this. U.S. aid to Costa Rica, he said, amounted to \$212 million in the 1984 fiscal year and will be at least \$220 million this year, about 5 percent of the Costa Rican gross national product and more per person than the United States gives any other country except Israel.

Mr. Skelly said the company's west coast banana plantations were losing \$6 million a year because of low world banana prices before the strike, which shut down operations. During the strike, more than a third of the banana plants were lost to a fungus for want of spraying and the rest deteriorated, he said, for a further loss estimated in September at \$6 million.

The company and the country have been negotiating on tax rates and fruit prices since mid-1983 in an effort to avoid the current impasse. Mr. Skelly denied that the company had abandoned its contract, asserting that it requires only that bananas be planted, not that they be harvested and sold.

In December, United Fruit proposed a package in which it would sell its 3,000 employees their homes and land parcels for token prices and sell the rest of its Pacific operations to the Costa Rican banana authority for \$15 million.

"We'd love that, but we haven't got \$15 million," a Costa Rican embassy official said.

Current talks concern some kind of lease-back arrangement in which Costa Rica would buy the property over many years, rehabilitate the half of it that can be saved and sell the bananas it produces to United Brands at a reduced price.

## Cambodian Resistance Fails at Guerrilla Tactics

Non-Communist Khmer People's Front Still No Match for Vietnamese Troops

By William Branigin  
Washington Post Service

BANGKOK — Facing the most aggressive Vietnamese offensive along the Thai-Cambodian border since 1979, and unable to defend its large settlements, Cambodia's main non-Communist resistance group appears to be reaching a turning point in its struggle against Hanoi's six-year occupation of Cambodia.

Since mid-November the Khmer People's National Liberation Front, led by Son Sann, has lost six

in the resistance bases, where they acquired relatively comfortable homes with such amenities as video recorders and gardens.

There they were also saddled with the defense of large, concentrated populations of refugees, totaling more than 150,000 of the estimated 250,000 Cambodians who live along the border under the control of the three anti-Vietnamese resistance groups.

Other difficulties impeding the front's development as a guerrilla force in Cambodia include shortages of arms and ammunition and intensified Vietnamese efforts to stop guerrilla infiltration.

The efforts include the construction of a defensive barrier inside Cambodia parallel to the border, for which the Vietnamese reportedly have mobilized thousands of Cambodian civilians.

A major problem for the front is that, although it enjoys Western diplomatic support, it lacks a committed arms donor willing to keep it well supplied.

Most of the front's weapons have come from China, but Beijing has always shown more generosity to the Khmer Rouge, whose 30,000 to 40,000 guerrillas pose the greatest military threat to the Vietnamese.

The third party in the resistance coalition, a faction loyal to Prince Norodom Sihanouk, the former chief of state in Cambodia, is a relatively negligible military force of 5,000 to 8,000 fighters and has not yet come under attack in the Vietnamese offensive.

In fact, there have been indications that Hanoi would like a separate deal with Prince Sihanouk that would give credibility to the Vietnamese-installed Heng Samrin government in Phnom Penh and undermine the resistance coalition.

When Prince Sihanouk was visiting Paris recently, according to Cambodian and Western sources, the Phnom Penh government's foreign minister, Hun Sen, attempted to see him, but the prince refused a meeting.

The Khmer front, apparently the primary target in the offensive, is bearing the brunt of a Vietnamese



Vietnam has reportedly tried to make a separate agreement with Prince Norodom Sihanouk, above, leader of Cambodia's resistance coalition, while Hanoi's troops attack Ampil and other allied camps of Son Sann, above right. He is leader of the Khmer People's National Liberation Front.



### NEWS ANALYSIS

camps along the border to Vietnam, and another has been largely evacuated in expectation of an imminent Vietnamese attack.

The latest to fall was the Ampil camp, a showcase settlement of 23,000 Cambodians about 40 miles (64 kilometers) northeast of the Thai border town of Aranyaprathet. The camp was the site of the front's military headquarters.

The loss of Ampil showed that while the front has made great progress since 1979, when it started with virtually nothing, its approximately 15,000 fighters are still no match for the Vietnamese and remain militarily a junior partner in a resistance coalition with the powerful Khmer Rouge Communists.

The defeat also underscored a necessity for the Khmer front to adapt to guerrilla tactics and try to avoid being pinned down on the border by superior Vietnamese forces drawn from the estimated 160,000 to 180,000 occupation troops in Cambodia.

But the front evidently faces a major and daunting task in attempting to push its struggle into the Cambodian interior with guerrilla methods.

Guerrilla struggle is largely alien to the front's military leadership, which is composed mostly of officers who served under the Lon Nol government that took power in a 1970 coup and was overthrown by the Khmer Rouge in 1975.

They and the camp leaders who have emerged as local warlords seem to value their settled lifestyles

## Marcos Sees Threat From Communists

By Abby Tan  
Washington Post Service

MANILA — President Ferdinand E. Marcos has publicly acknowledged for the first time the seriousness of a Communist threat in the Philippines.

In a message read to the national legislature as it resumed its session Monday, Mr. Marcos called on the nation to unite and fight "this menace to our society."

Mr. Marcos, 67, who has reportedly been ailing since November, did not appear at the legislative ceremonies.

In his statement, he said: "The challenge to us now is to summon anew the will and the resolve to drive back this menace to our society. We must secure the discipline, the patience and the imagination to turn back this tide in our midst."

Mr. Marcos's statement was a departure from previous official pronouncements in which he played down the insurgency waged by the 11,000-member New People's Army.

Richard L. Armitage, the U.S. assistant secretary of defense for international security affairs, held three days of talks with officials, and then called Saturday for more candor in assessing the problem.

In offering the Philippines military and economic aid to fight the Communists, Mr. Armitage said



Richard L. Armitage

that U.S. aid would not be effective unless the problems "are faced squarely and honestly by both sides."

He reflected the frustrations of U.S. officials who have found the Philippine government less than candid in acknowledging the strength and influence of the Communists.

The United States, which has two large military bases in the Philippines, views the rebels with deep concern, Mr. Armitage said.

In his message to the legislature, Mr. Marcos urged the government and the private sector to get involved in the "ideological struggle for the minds and allegiance of men."

He also urged the political opposition to abandon its "quixotic flirtation" with the radicals, saying that its attitude would not advance legitimate political opposition.

## Fighting Breaks Out Again At Cambodia Guerrilla Camp

Reuters

NONG SAMET, Thailand — New fighting broke out Monday at Nong Samet, a base that Cambodian guerrillas of the Khmer People's National Liberation Front have been trying to retake from Vietnamese troops for three weeks, Thai military officers reported.

The Thai officers said machine-gun fire erupted around the base after Vietnamese artillery shells hit the camp Sunday night and early Monday. At least four guerrillas were reported wounded.

Vietnamese troops attacked and seized most of Nong Samet on Dec. 23. Guerrillas recaptured large

chunks of the base a few days later but were unable to push out the remnants of the attacking force because of land mines and a heavy curtain of artillery and mortar fire.

### Prime Minister Is Elected

Hun Sen, the Cambodian foreign minister, was unanimously elected prime minister by the National Assembly on Monday. The Associated Press reported, quoting the official Cambodian press agency SPK.

Hun Sen, who is in his mid-30s, had been serving as acting prime minister since Chan Si died of illness in December. He apparently retains his post as foreign minister.

A small hotel on a little street called Rodeo Drive.

A Max Baril Hotel

THE BEVERLY RODEO HOTEL  
360 N. Rodeo Dr., Beverly Hills, CA 90210. Tel. 691-366

## IF YOU THINK THE FIREBRANDS OF THE 1960'S CHANGED THE SYSTEM, WAIT UNTIL YOU SEE THE LATEST BATCH OF REVOLUTIONARIES.

They are the new corporate elite. Entrepreneurs, not managers. Building new companies and rejuvenating old ones.

And their views of business and the world often bring them into sharp conflict with the leaders of the "old" economy.

This week in Business Week read who they are, how they're reshaping the economy, in what way they're influencing policies in Washington, and how they may affect your life.

It's the kind of significant story you'll find every week in Business Week. And the dynamic, authoritative style of reporting is another reason Business Week is the number one business magazine.

**BusinessWeek**



## Our exclusively-designed leather pocket diary is thin, flat and elegant.

No sooner was it introduced than everybody wanted one!

The International Herald Tribune diary started as a distinctive Christmas present for a few of our friends, was such a huge success that now we make it available to all our readers.

This ingeniously designed diary is flat as can be—neat and luxurious—including a built-in note pad. Slips into your pocket without a bulge and is ready with instant "jotting" paper the second you need it. Personalized with your initials (up to 3) at no extra cost. The perfect Christmas gift for almost anyone... including yourself.

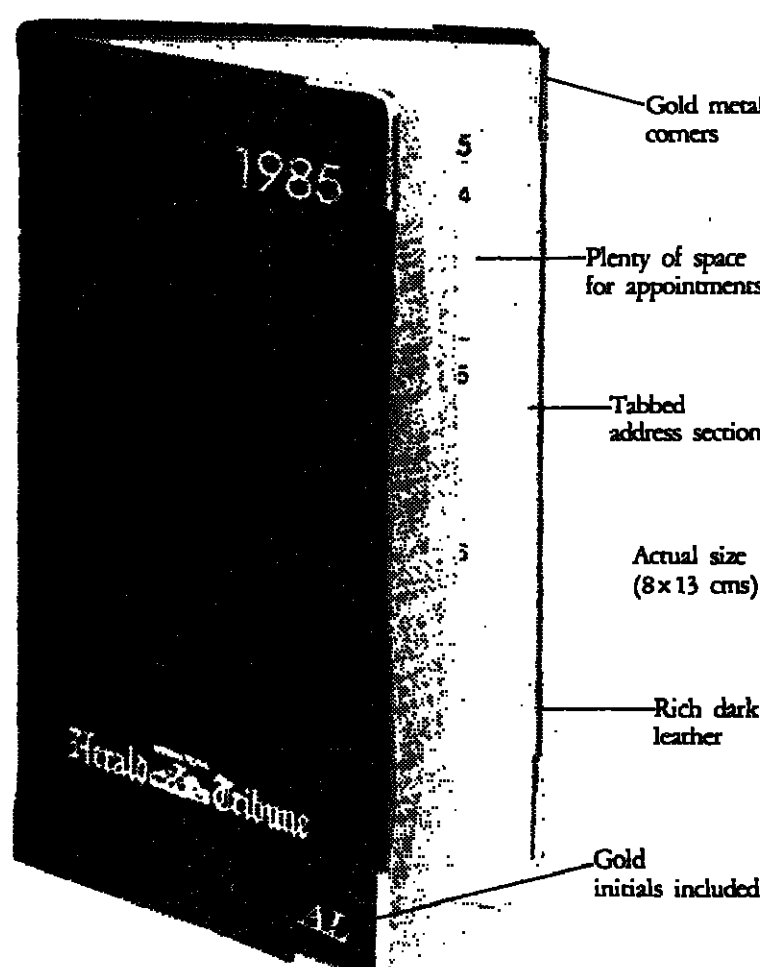
— Note paper sheets are fitted on the back of the diary—a simple pull removes top sheet.

— No curled up edges. No torn pages.

— Comes with note paper refills.

— Format: 8x13 cms.

PLUS: Pages of useful information. Conversion tables of weights, measures and distances, a list of national holidays by country, vintage chart and other facts... all in this incredibly flat little book.



Gold metal corners

Plenty of space for appointments

Tabbed address section

Actual size (8x13 cms)

Rich dark leather

Gold initials included

Order your International Herald Tribune diaries today! U.S. \$19.50 or equivalent in convertible currency. Price includes three initials in gold, postage and handling in Europe. Outside Europe, add \$3 for additional postage.

Return this order form to:  
Dataday Ltd., attention: Eve Fumerton  
8 Alexandra Road, London SW19 7JZ England

Please check method of payment:  
☐ Enclosed is my check in the amount of \$\_\_\_\_\_ made to the order of Dataday Ltd. (Payment can be made in any convertible currency.)

☐ Please charge to my credit card: ☐ VISA ☐ AMEX ☐ DINERS

Card no. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_ (necessary for credit card orders)

Name \_\_\_\_\_

Address \_\_\_\_\_

City/Code/Country \_\_\_\_\_



**Herald Tribune**

## Kennedy Trip Highlighted Blacks' Rift in South Africa

By Alan Cowell  
New York Times Service

SOWETO, South Africa — Senator Edward M. Kennedy's visit to South Africa has ended in disarray, with some South African commentators suggesting it had hardened white attitudes to change while highlighting divisions and hostility toward the United States within the country's black opposition.

Black demonstrators forced Mr. Kennedy to cancel plans for a speech Sunday at the conclusion of his one-week visit to South Africa. The Massachusetts Democrat was to have addressed a meeting at Regina Mundi Cathedral in Soweto, South Africa's biggest black township, just outside Johannesburg. The cathedral, an unadorned edifice opposite a used-car lot, is where blacks, who are forbidden to hold outdoor meetings, assemble each year to commemorate those who died in disturbances in Soweto in 1976.

Three thousand to 4,000 people had assembled to hear Mr. Kennedy, when about 100 demonstrators of the Azanian People's Organization marched toward the altar, shouting: "No more Kennedy!" They carried placards that described him as an imperialist.

Bishop Desmond Tutu, winner of the 1984 Nobel Peace Prize and one of the senator's hosts, made a plea for calm and then announced that the senator's speech had been canceled.

Kennedy aides said they had recommended cancellation of the speech because it might have led to violence. In an interview aboard the aircraft that later carried him to Lusaka, Zambia, Mr. Kennedy said he had agreed to call off the talk for fear that it would provoke bloodshed if the police intervened.

An impression among reporters and black commentators accompanying the senator was that the cancellation had severely embarrassed Bishop Tutu on his home ground. It also seemed to underscore the shift in black attitudes since Robert F. Kennedy, the senator's brother, toured South Africa in 1966 and received an enthusiastic reception as the herald of a new era.

Since 1966, according to the Reverend Allan Boesak, president of the World Alliance of Reformed Churches and a co-host of the Kennedy visit, black South Africans have become distrustful of the West, particularly the United States, because foreign financial investment in South Africa is seen as supporting the white minority regime.



Senator Edward M. Kennedy with his son, Edward Jr., as they stopped Monday at Heathrow Airport, London, on their way back to the United States after a South African tour. The senator called the tour a "great success."

While the demonstration at Regina Mundi involved only a small number of those present, it seemed to reflect a deepening rift in black politics between those espousing a multiracial opposition to apartheid and those, like the Azanian People's Organization, advocating a protest position that excludes whites.

Speaking to reporters before the speech was canceled, Bishop Tutu said Mr. Kennedy's visit had highlighted divisions that were leading to a "serious realignment" in the politics of black opposition. He described the confrontation as "a watershed."

At the same time, legislators from the liberal end of South Africa's white political spectrum suggested that the visit had hardened white attitudes, producing a sense of chauvinism among those who associate Mr. Kennedy, as a hostile outsider, with black opponents such as Bishop Tutu.

In the cathedral incident, reporters had the impression that Mr. Kennedy's speech had been abandoned because of the presence of the demonstrators, but both the senator and Bishop Tutu insisted later that their concern had been with the possibility of police intervention.

Riot police were a few hundred yards from the cathedral but made no move to enter it.

After word of the cancellation became known, the bishop addressed his followers and said, "I want to find out something from you. Senator Kennedy came to this country at my invitation. He is my guest."

## Major Battle With Rebels Is Confirmed By Morocco

The Associated Press

RABAT — Morocco has confirmed that a major battle took place over the weekend between its forces and Polisario guerrillas in the Western Sahara.

An earlier guerrilla communiqué from Algiers claimed Polisario forces downed a Moroccan Mirage F-1, killed 311 Moroccan soldiers, wounded another 250 and forced a "disorderly retreat."

They later claimed they shot down two more Moroccan planes Sunday in the Dakhla region.

The Moroccan Information Ministry confirmed Sunday there had been "violent combat" Saturday between Moroccan forces and "heavily armed and armored mercenaries," but claimed Moroccan troops pushed the guerrillas back with "heavy losses."

Morocco did not say where the fighting took place. The guerrillas said the engagement took place about 100 kilometers (60 miles) from the Algerian frontier along a partially completed defense embankment being built by Morocco.

The battle occurred amid reports of plans to try to hold a meeting that would include the leaders of North African nations, including Morocco, Libya, Tunisia, Mauritania and Algeria.

Algeria actively supports the Polisario, which uses bases on Algerian territory. Morocco and Libya signed a cooperation pact last year.

The conflict in the Western Sahara, formerly the Spanish Sahara, has deeply divided the Organization for African Unity. Morocco pulled out of the OAU after a majority of its members admitted the Polisario's political arm as a full-fledged member.

## 418 Killed, 559 Injured In Ethiopia Train Crash

The Associated Press

NAIROBI — At least 418 people died and 559 were injured when a train was derailed about 125 miles (about 200 kilometers) east of Addis Ababa, the Ethiopian capital, a railroad official said Monday. Ethiopian relief officials said the passenger coaches were thrown into a ravine as the train rounded a curve at high speed Monday.

One relief worker quoted rail officials as saying the engineer apparently failed to reduce the train's speed around the curve, throwing the passenger coaches down the ravine.

## An Angolan City Reveals Its War Wounds

By James Brooke  
New York Times Service

HUAMBO, Angola — Four colonial-era statues, representing Patience, Temperance, Justice and Fortitude, lie abandoned in a field here. Presiding in their place at the former Portuguese governor's palace is a solitary, Soviet-issue bust of Lenin.

The statue switch is one of many changes that have come to this city, once the showcase of Portuguese Africa. In early 1976, the Marxist Popular Movement for the Liberation of Angola extended its control to Huambo, largely sealing off Angola's second-largest city to Western reporters for a decade.

The Portuguese had proudly called this city in Angola's central highlands Nova Lisboa — New Lisbon. Colonial administrators, eager to show off the benefits of five centuries of colonial rule, routinely steered foreign correspondents here.

High-rise apartment buildings sprang up in the 1960s, financed by a wealth of corn and coffee flowing from the surrounding plains. Shops and hotels filled with people who came to trade the muggy heat of the coast for the cool, dry air of the highlands. Freight cars loaded with copper and manganese from mines in Zambia and Zaire rumbled through town on the Benguela railroad, then the principal land route into central Africa.

But undermining this prosperity was the reality that local African peasants were not sharing in the wealth that built the white sections of Nova Lisboa.

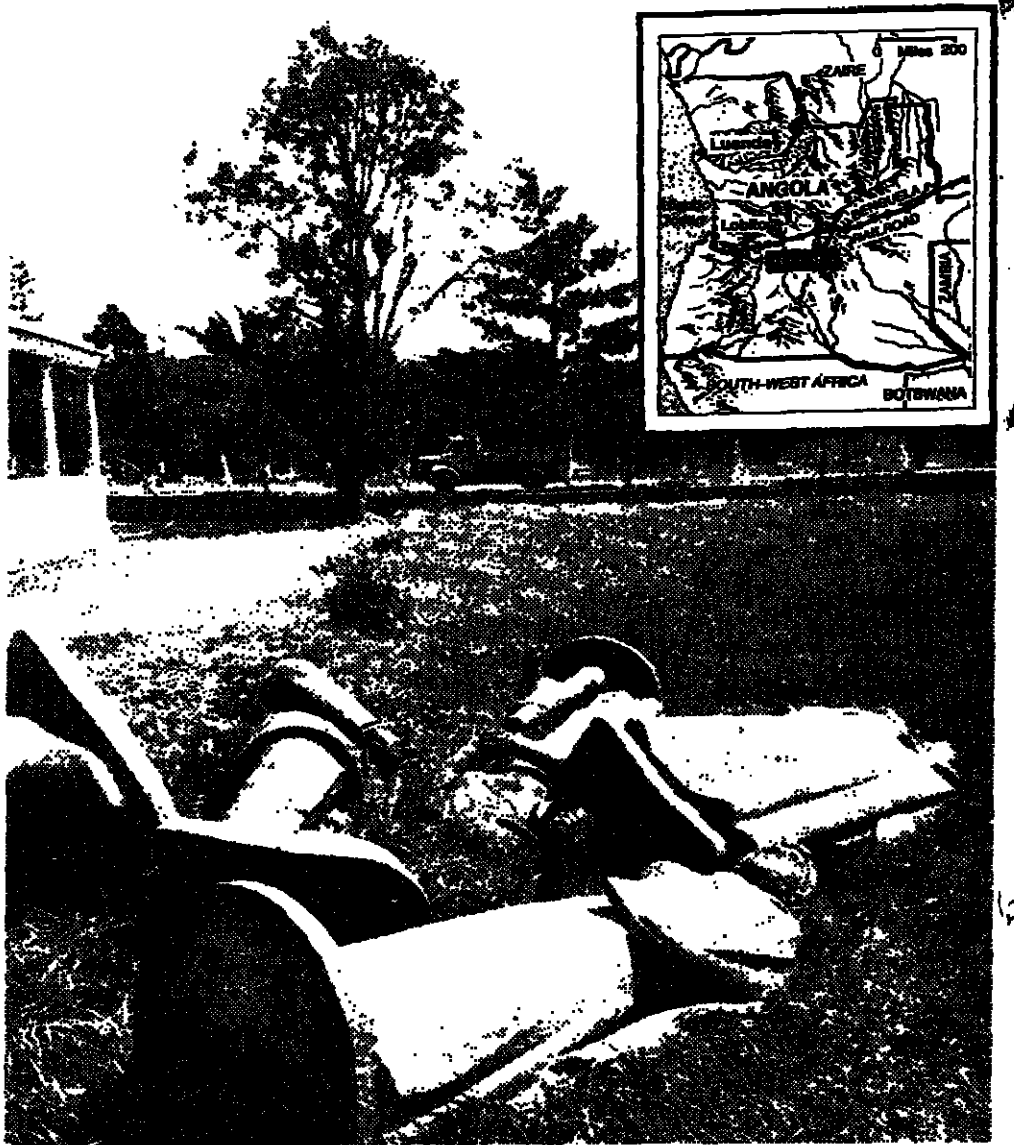
Statistics collected by Portuguese agronomists in 1971 showed that from 1968 to 1970, white landholdings in the province doubled. In the same period, land cultivated by Africans, who were being moved into strategic settlements, dropped by 36 percent. The same study found that gross income per African farm dropped by two-thirds from 1965 to 1970.

Portugal's dictatorship, which was dedicated to maintaining this status quo, fell in 1974. The next year, the colonial administrators departed, leaving three black nationalist armies to fight among themselves for control of the new nation.

Within weeks, 90 percent of Angola's 350,000 Portuguese fled Angola, including the 18,000 who lived in Huambo. This was one of the largest white flights from post-colonial Africa. Eight years later, Huambo and the rest of Angola have yet to recover from this exodus.

A decade ago, Huambo was envisioned as Angola's Brasília. Today, it looks like Angola's Phnom Penh.

The airport, where farmers' planes and tourist flights used to



Toppled statues of the Portuguese colonial era lying in a field at Huambo, Angola.

land, is now home to Soviet transport planes, helicopters and MiG-21 fighters. Visitors walking to the reception area are welcomed by a billboard proclaiming, "Every citizen is — and should feel himself — a soldier!"

A Romanian engineer standing near the runway said there were about 100 foreigners in the city. He ticked off on his fingers: "Russians, Czechs, Poles, Bulgarians and one Vietnamese woman."

Driving into town past the toppled Portuguese statues, one passes shuttered stores, their rows of shelves still bare after looting at independence. The Farmacia Santos is stripped clean of medicine. The Discoteca Nova York is boarded up. The Relojoaria Omega has no watches.

Independence froze construction in midair. The shell of a half-completed high-rise stands across the

street from a political banner urging, "The most important is to resolve the problems of the people." Squatters in a Mediterranean-style villa have repaired a smashed bay window with mud and sticks, the traditional building materials of the African peasant.

The Hotel Almirante, with its faded honeymoon suites and Portuguese decor, is still open for business. But there is no running water and the elevator tends to wander between floors.

On a recent afternoon, a knot of African women and their emaciated children clustered down the block from the Almirante in front of an apartment building where Eastern bloc technicians live.

"Tovarich, amigo," the women holding baskets of fruit called when the three Russians approached on the sidewalk. A young Russian in-

spected the offerings, consulted with his companions and bought two cassavas.

Once the breadbasket of Angola, Huambo province now faces severe food shortages. Workers of the International Committee of the Red Cross, which has a delegation of 45 here, estimate that one-third of the province's population suffers from severe malnutrition.

The food shortages seem to be caused by guerrillas of the National Union for the Total Independence of Angola. The guerrillas draw support from the Ovimbundu tribe, which predominates in Huambo province.

In an interview, Huambo's military commissar, João Ernesto dos Santos, claimed that the South African-supported guerrillas burned crops, terrorized peasants and were trying to strangle the city.

# THE QUEST

## for Excellence in European Technology

Bringing innovative products to market is one of the key functions of a *sogo shosha*, or general trading company. But at Marubeni Corporation, that means much more than just importing and exporting goods. We promote trade right at its source, in the laboratories and research facilities where new products and processes are invented. And now we are actively seeking ways to support top technology in Europe through project financing and joint venture formation, as well as through our worldwide marketing/information network.



Charles E. Gullianne (1861—1938), French metallurgist (b. Switzerland), Nobel prize in 1920 for discovering anomalies in nickel-steel alloys.

**The Great Age of European Invention Lives On**  
Electronics, biochemicals, new materials and advanced information systems are what we consider most exciting. But we are willing to work with people or firms in any field who can show us inventive genius rivaling the European breakthroughs we have illustrated on this page.

One company with which we have already established a business relationship is IQ-BIO, Ltd. of Cambridge, England. This laboratory has developed a special technique for producing reagents used in identifying infectious diseases and cancer. Their "AELIA System" makes diagnosis faster, easier, and inexpensive, and it requires much smaller blood samples than conventional processes.

Our support has taken this form: We linked IQ-BIO with a Japanese manufacturer of enzymes who wants to expand production in biochemicals. We ourselves are joining with this manufacturer to handle exclusive Japanese sales/distribution for the resulting three-way joint venture. And we will also make available additional R&D funding, as IQ-BIO requires, to further the development of disease-fighting antigens.



Emil H. Fischer (1852—1919), German chemist, Nobel prize in 1902 for synthesizing sugars and purines.



Guglielmo Marconi (1874—1937), Italian electrical engineer, inventor of the wireless telegraph in 1896, Nobel prize for physics in 1909.

**We Can Work Together for Progress**  
The above example is but one of many joint projects Marubeni has undertaken with European enterprises and laboratories in the fields of high technology and biochemicals. Your name could easily be added to this growing list.

If you or your company have an invention or process capable of changing the face of modern industry or technology, Marubeni, through an international business network, wants to aid you in perfecting it, producing it and bringing it to market.



Willem Einthoven (1860—1927), Dutch physiologist, inventor of the electro-cardiograph in 1903, Nobel prize for medicine in 1924.

Why? Because Marubeni is committed to progress for Europe, for Asia, for the Americas...for the global community we live in. By sharing our strengths, we can spread the benefits of top technology worldwide and secure a place in history for today's best creative minds.



Sir Alexander Fleming (1881—1955), Scottish bacteriologist, discoverer of penicillin in 1929, Nobel prize for medicine in 1945.

**Marubeni CORPORATION**  
C.P.O. Box 595, Tokyo 100-91, Japan  
Corporate Development Dept.

السؤال الأول



## ARTS / LEISURE

## After 5 Silent Years, Songs From Leonard Cohen

By Michael Zwerin  
International Herald Tribune

PARIS — It is possible to pace the terrace of the Café Flore three times looking for him before you spot Leonard Cohen at a table. You will not see him at sneak previews, gallery openings or chic cocktail parties on the islands of Manhattan, Ibiza, Barbados or Hydra. He has been living in a hotel on 44th Street in New York, in an anonymous neighborhood.

Some star — the sort about whom it is said: "Whatever happened to . . . ?"

He has just had a book of poetry published; a movie he wrote is being edited; he has made two videos and he has released a new record, "Various Positions." True, these have come after five years of silence, but it's always been "one word at a time" for Cohen.

"My inspiration is just the energy to apply myself, to sit down and do it. I usually pick up my guitar with breakfast but I'm not like Thomas Wolfe writing 40,000 words on top of the refrigerator. There is always a certain urgency to shoot your mouth off, to show off, but I've never operated from a position of luxury. A word, a line, one chord change, then months polishing a verse. Continue, that's all I can do. Baudelaire says it's a matter of self-respect — work is one of the few places where it can still be located. One does have the suspicion of being perhaps lazy, but at the end of a certain period you see you've blackened a few pages."

The hotel has been less a home than a base to be close to his two children. He really has not been

living anywhere, though "it's coming to an end. I feel it's time to dig in somewhere."

Not, however, before a 40-concert tour of Europe, where a singing poet can still have a public. Except for a few large cities, the American audience for the writer of such haunting songs as "Suzanne," "The Stranger" and "Bird on a Wire," and the novel "Beautiful Losers"

(300,000 copies sold) set in his native Montreal, appears to have evaporated.

"I must recognize that promotion and sales time and money spent on me could yield a much greater profit if spent on somebody else. My place, or lack of it, in the competition for rack space and radio time is very clear cut. There is not even room for resentment."

He speaks the way he sings, like a 33-rpm record slowing to 16. It can wind down into a dirge, but the intelligent energy behind the slow pace has hypnotic power.

"I think of myself as a reporter looking at a landscape. I try not to complain too much. I try to be objective. I don't think you can maintain that self-respect unless there's an element of objectivity."

Objective? Leonard Cohen?

"Sure."

I know that you have suffered but suffer this awhile.

Whatever makes a soldier sad will make a killer smile.

From "Various Positions"

"I'd describe that as hopeful."

Hopeful?

Yes. Or how about this?

Dance me to the children who are asking to be born.

Dance me through the curtains that our kisses have outworn.

Raise a tent of shelter now though every thread is torn.

Dance me to the end of love.

"The lines are free to assume various positions, which is what I've called the album, but anybody who lifts their voice in song has to be hopeful."

It might be easier to buy that definition if you are not sitting across a table from him. All the lines on his face are down, and it drops rather than spreads into the occasional smile. The objective hope is being mumbled at a level barely above the background lunchtime café hum. He must repeat often to be understood.

"Disraeli said the third part of your life is spent in regret. I don't think so. I've had a pretty clear idea of my road since I was a kid. I tried to say it in a song" (also from "Various Positions").

I did my best, it wasn't much, I couldn't feel so I tried to touch.

I've told the truth, I didn't come to fool you.

And even though it all went wrong,

I'll stand before the Lord of Song With nothing on my tongue but Hal-lelu-jah.

Although he maintains that the Bible begins by saying that chaos and destruction were the two elements that formed the world, his hope and objectivity spring from a basic religious faith. It might be described as Hassidic, but he spends a certain amount of time each year with a guru in New Mexico. His new book of poetry is a collection of "contemporary psalms" titled "Book of Mercy."

"I found myself in a certain place where I could not speak. The only thing I could do was address the source of mercy, to forgive others, to forgive myself."

So it was "a relief not to have to represent myself" writing the lyrics for a pop-opera film called "The Merry-Go-Man" in collaboration with another Canadian, Lewis Furber, who wrote the music and directed it. "I wrote the lyrics quickly because the story was outlined already and I didn't have to sing them. What a pleasure not to have to struggle with original meaning."

His first video was a standard pop-music color short of "Dance Me to the End of Love." A friend, the French photographer Dominique Isserman, directed a 30-minute film on the same subject in black and white. "It's very quiet, no flashy effects. It won a Golden Rose at the Montreux World TV Festival in the 'light entertainment' category. People usually don't describe my work that way. It's refreshing to be considered light entertainment."

Leonard Cohen: Mannheim, West Germany, Jan. 31; Munster, Feb. 1; Wiesbaden, Feb. 2; Berlin, Feb. 3; Hamburg, Feb. 4; Helsinki, Feb. 7; Stockholm, Feb. 8; Copenhagen, Feb. 9; tour continues in the Netherlands, Switzerland, France, Spain, Britain, Belgium, Ireland, Austria and Italy, ending March 19 in Rome.



Leonard Cohen: "Continue, that's all I can do."

## New Music Center Opens in St. Paul

By Bernard Holland  
New York Times Service

ST. PAUL, Minnesota — The St. Paul Music Theater, St. Paul's dramatic attempt to draw together the city's physical and artistic elements, opened to the public last week with presentations by the people who will use it most.

Leontyne Price sang as part of the Schubert Club's traditional concert series. The St. Paul Chamber Orchestra officially took up residence. The Minnesota Opera publicly explored its new home for the first time with a performance of "Animals," by the Swedish composer Lars Johan Werle.

The \$45-million Orway, which houses two theaters, overlooks the Mississippi River on one side and, on another, brightens and complements the more formal public buildings surrounding Rice Park.

A major focus in the building of the center was Sally Orway Irvine of the Minnesota Mining and Manufacturing family, who made a trip to central St. Paul a few years ago and "lost my temper" at having nothing to do. The Orway family contributed \$15 million toward the project. The campaign to pay for the rest of Orway continues.

Its two theaters will house the city's principal musical entities, which have wandered around St. Paul over the years, occupying a succession of less than satisfactory halls. The Orway is a privately owned, nonprofit corporation and will be presenting shows and concerts of its own. One frequent visitor will be the Minnesota Orchestra, from Minneapolis across the river.

The Orway Music Theater, designed by St. Paul's Benjamin Thompson, is built in brick, stone, copper and glass. Within are an 1,800-seat concert and opera hall and a smaller theater for 300.

Acoustically, the main hall begins with the traditional materials — wood and plaster — but its acoustician, R. Lawrence Kirkegaard, has installed mechanical ways to reconfigure these elements, much as one would fiddle with the dials of an amplifier at home. To

control reverberation and enhance clarity, sound-absorbing panels can descend into the spaces behind the wooden grills around the hall; curtains come into play; overhead panels are moved mechanically into place. Acoustical shells in the ceiling open and close to reflect sound energy into the balcony.

The chamber orchestra is framed within a movable, adjustable mahogany shell. Most fascinating is a two-story pit elevator — the top level raising to form a thrust stage, and the bottom floor then serving as an alternative orchestra pit.

"Animals" provided fragmentary evidence of how well all this works. The instrumental sound was well-defined, and, heard, from two separate listening places, the voices seemed brightly projected and clearly articulated.

Less clear is why this exceedingly trivial opera was chosen for the Minnesota Opera's Orway debut. "Animals," a fantasy in two acts with a libretto by Tage Danielsson, tells of the animal kingdom's attempts to mediate between two superpowers bent on mutual annihilation. The story, given in an English translation, operates on the premise that Americans and Russians are equally silly — and equally worrisome — in their bellicosity toward one another. It is a shame, given this forum, not to say something new and moving about the arms race.

There are no characters, simply stereotypes.

This opera, now six years old, has had about 500 performances, mostly in Scandinavia and West Germany.



Dorothy Rostler undergoing eyeliner-tattoo surgery.

## Tattooing Can Replace Eye Makeup, But Doctors Underline Possible Risks

By Deborah Blumenthal  
New York Times Service

NEW YORK — A new microsurgical technique — which some physicians describe as a possible health hazard — is being used to tattoo tiny dots of dark pigment permanently along the rims of the eyelids to augment or replace eye liner. It is being offered to growing numbers of women in the offices of plastic surgeons, dermatological surgeons and ophthalmologists.

The procedure, costing \$500 to \$1,500, was demonstrated in New York in recent weeks by Dr. Robert Fenzl for Dioptric Medical Products of Irvine, California.

Developers of the process, which was introduced last summer in California, say it has been safely used on about 1,200 women. More than 1,000 were fee-paying customers who had the procedure performed by private physicians. The rest were volunteers.

Prominent dermatologists and ophthalmologists interviewed about the technique voiced concern over possible health hazards stemming from the implantation of foreign material in the delicate tissue around the eyes.

Dr. John F. Romano, a clinical instructor in dermatology at the New York Hospital-Cornell Medical Center, said: "You can have a lot of foreign-body reactions to almost any sort of tattoo implant. He also cited potential allergic re-

actions that could cause the eyelid to swell. He said he was "very skeptical" about the procedure.

About 400 physicians in the United States and Europe have been performing the procedure and 150 to 200 others have ordered the necessary instruments at a cost of \$2,500 each.

At a news conference at the French American Clinic in Manhattan, visitors observed the procedure being performed and heard Dr. Jack Dodick, ophthalmologist in chief and surgeon director of Manhattan Eye, Ear and Throat, speak on behalf of the developers. Describing the procedure as safe and efficacious, he said the probability of complications was "very, very low."

One of two patients who volunteered to have the procedure performed before observers was Kim Puntini, 22, a technical assistant in an ophthalmologist's office in Framingham, Massachusetts. "My eyes are my best feature so why not have them enhanced?" she said. Nine days later, she said: "My eyes look great. I'm so glad I had it done."

The other volunteer was Dorothy Rostler, 42, of Wayland, Massachusetts, an administrative assistant to her husband, an ophthalmologist. In a small operating room, Rostler had her eyelids cleansed and locally anesthetized. The eye area was coated with an antibiotic ointment. Fenzl, using a high-powered microscope, dispensed pigment from a handpiece resembling a white marking pen with a fine steel point that is wired to a power unit controlled by a foot switch. Using a cotton swab to hold the eyelid back, Fenzl implanted a line of tiny dots along the upper lash line. The needle is designed not to penetrate deeper than a millimeter. The procedure takes about 30 minutes.

Patients can choose brown, black or charcoal pigments approved by the U. S. Food and Drug Administration for use in foods, drugs and cosmetics.

Over time the implanted pigment softens slightly, the developers report. They acknowledge that aftereffects may include tenderness, swelling and bruising that can last for up to two weeks. They say most women can return to work the day the procedure is performed.

Prime candidates for the procedure, its developers say, include women with oily skin, which causes makeup to smudge; those who wear contact lenses or bifocals; those who are allergic to most makeup; athletes who cannot wear makeup while they exercise or perform; Orientals and others whose eyelids rub against the browbone, which can cause eye makeup to

smear; those whose eyes tear frequently; and those who have had injuries to or surgery on the eyelids. "If there is suspicion regarding reaction," the company says, the patient will be given an allergy test.

Those ineligible for the operation are pregnant women, those under 18 and anyone who is not sure she wants permanent eyeliner.

The technique, under the trademark Accents Permanent Eyeliner, was formulated by Fenzl, an assistant professor of ophthalmology at the University of California at Irvine, and Diana Starr Langley, president of Dioptric Medical Products, which produces the instruments.

Only ophthalmologists, plastic surgeons and dermatological surgeons who have completed a Dioptric training course can buy the equipment, a slightly different version of which is produced by Cooper Vision of Palo Alto, California.

Dr. Laurence R. LeWinn, who is director of the department of plastic surgery at the Geisinger Medical Center in Danville, Pennsylvania, and is unaffiliated with Dioptric, said he planned to buy the instruments because of patient interest. He added, however: "I don't give the procedure my unencumbered endorsement at this time because I always worry when you put in permanent pigment. What if somebody changes their mind and doesn't want it? Because of work I'm involved in using the laser, I suspect that it might be possible to remove it that way if that became desirable."

As for health implications, he said: "The history of tattooing is almost as old as civilization, and there is ample opportunity to observe all types of pigments in the skin. Except for someone who is sensitive to something, the effects are extremely benign."

Dr. Byron H. Demoreest, president-elect of the American Academy of Ophthalmology, said that, before contact lenses were available, metallic oxides were often used to darken the cornea — and create a pupil — in people who had an opaque or a white eye as a result of injury.

Among physicians expressing more concern, Dr. Irwin Siegel, a professor of research ophthalmology at New York University Medical Center, said: "There's been no work long term, no follow-up on this whatsoever. It's tattooing plain and simple, and tattooing has a long and illustrious history of problems."

Specialists recently had a chance to witness the procedure at the convention of the American Academy of Ophthalmology in San Francisco. About half the observers were interested, Siegel recalled, and the rest, he said, were horrified.

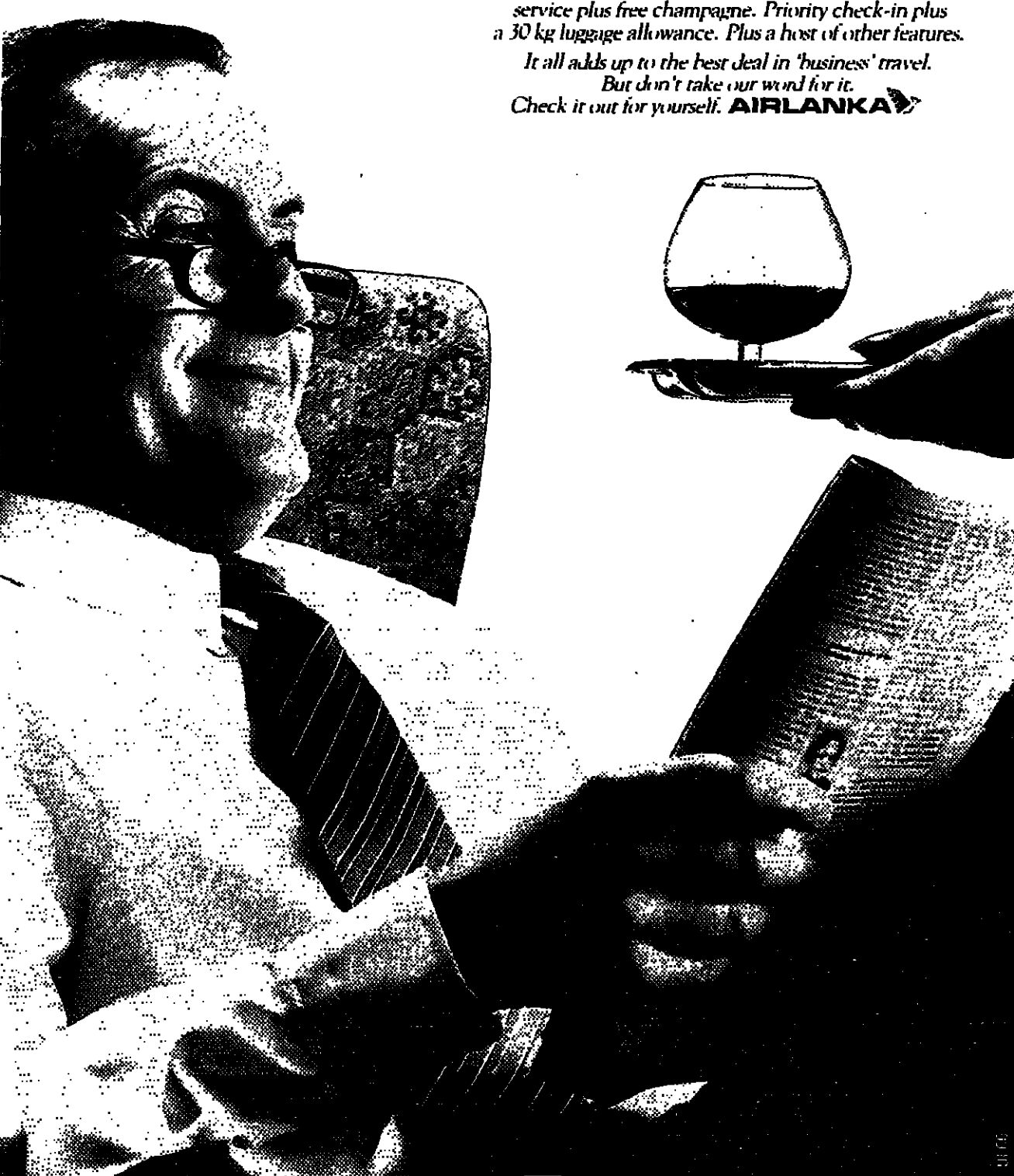
## DOONESBURY



**AUTHORS WANTED BY N.Y. PUBLISHER**  
Leading subsidy book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, juvenile, scholarly and religious works, etc. New authors welcomed. Send for free booklet H-3. Vantage Press, 516 W. 34th St., New York, N.Y. 10001 U.S.A.

Air Lanka BUSINESS PLUS.  
A class of its own.

You've never experienced a Business Class like ours. The sum total of the best that Business Class has to offer. Widely spaced seats plus a first class cuisine. Silver service plus free champagne. Priority check-in plus a 30 kg luggage allowance. Plus a host of other features. It all adds up to the best deal in 'business' travel. But don't take our word for it. Check it out for yourself. AIRLANKA



## WINTER SALE

Great value in reductions on the Autumn collections of Ralph Lauren for Women and Polo for Men

The Polo Ralph Lauren Shop

143 New Bond Street - London W1  
(01) 491-4967



NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
AmGen	180.00	178.00	178.00	+1.00	
AT&T	150.00	148.00	148.00	+1.00	
IBM	120.00	118.00	118.00	+1.00	
Intel	100.00	98.00	98.00	+1.00	
Microsoft	80.00	78.00	78.00	+1.00	
Oracle	60.00	58.00	58.00	+1.00	
Unisys	40.00	38.00	38.00	+1.00	
Wang	30.00	28.00	28.00	+1.00	
WorldCom	20.00	18.00	18.00	+1.00	
Yield	10.00	8.00	8.00	+1.00	

Dow Jones Averages					
Open	High	Low	Last	Chg.	
Index	1214.44	1208.18	1208.18	+16.65	
Trans.	115.00	113.00	113.00	+1.00	
Indus.	100.00	98.00	98.00	+1.00	
Comp.	95.00	93.00	93.00	+1.00	

NYSE Index					
Previous	Today	High	Low	Close	3 P.M.
1214.44	1208.18	1214.44	1208.18	1208.18	1208.18
115.00	113.00	115.00	113.00	113.00	113.00
100.00	98.00	100.00	98.00	98.00	98.00
95.00	93.00	95.00	93.00	93.00	93.00

Monday's NYSE Closing					
Vol.	3 P.M.	Prev. 3 P.M.	Vol.	3 P.M.	Prev. 3 P.M.
1214.44	1208.18	1214.44	115.00	113.00	115.00
100.00	98.00	100.00	95.00	93.00	95.00
95.00	93.00	95.00	90.00	88.00	90.00
85.00	83.00	85.00	80.00	78.00	80.00

AMEX Diaries					
Clear	Prev.	High	Low	Close	3 P.M.
1214.44	1208.18	1214.44	1208.18	1208.18	1208.18
115.00	113.00	115.00	113.00	113.00	113.00
100.00	98.00	100.00	98.00	98.00	98.00
95.00	93.00	95.00	93.00	93.00	93.00

NASDAQ Index					
Week	Year	High	Low	Close	3 P.M.
1214.44	1208.18	1214.44	1208.18	1208.18	1208.18
115.00	113.00	115.00	113.00	113.00	113.00
100.00	98.00	100.00	98.00	98.00	98.00
95.00	93.00	95.00	93.00	93.00	93.00

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
AmGen	180.00	178.00	178.00	+1.00	
AT&T	150.00	148.00	148.00	+1.00	
IBM	120.00	118.00	118.00	+1.00	
Intel	100.00	98.00	98.00	+1.00	
Microsoft	80.00	78.00	78.00	+1.00	
Oracle	60.00	58.00	58.00	+1.00	
Unisys	40.00	38.00	38.00	+1.00	
Wang	30.00	28.00	28.00	+1.00	
WorldCom	20.00	18.00	18.00	+1.00	
Yield	10.00	8.00	8.00	+1.00	

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Out Cris

12 Month	High	Low	Stock	Div.	Yld.	PE	52 Wk	High	Low	Close	Out	Cris
1214.44	1208.18	1214.44	115.00	113.00	115.00	100.00	98.00	100.00	95.00	95.00	90.00	88.00
95.00	93.00	95.00	90.00	88.00	90.00	85.00	83.00	85.00	80.00	80.00	75.00	73.00
85.00	83.00	85.00	80.00	78.00	80.00	75.00	73.00	75.00	70.00	70.00	65.00	63.00
75.00	73.00	75.00	70.00	68.00	70.00	65.00	63.00	65.00	60.00	60.00	55.00	53.00
65.00	63.00	65.00	60.00	58.00	60.00	55.00	53.00	55.00	50.00	50.00	45.00	43.00
55.00	53.00	55.00	50.00	48.00	50.00	45.00	43.00	45.00	40.00	40.00	35.00	33.00
45.00	43.00	45.00	40.00	38.00	40.00	35.00	33.00	35.00	30.00	30.00	25.00	23.00
35.00	33.00	35.00	30.00	28.00	30.00	25.00	23.00	25.00	20.00	20.00	15.00	13.00
25.00	23.00	25.00	20.00	18.00	20.00	15.00	13.00	15.00	10.00	10.00	5.00	3.00
15.00	13.00	15.00	10.00	8.00	10.00	5.00	3.00	5.00	0.00	0.00	0.00	0.00

## NYSE Rally Seen Resuming

**United Press International**  
NEW YORK — Prices on the New York Stock Exchange pushed higher late Monday, resuming a rally that was interrupted late last week for some profit-taking.

The Dow Jones industrial average was up 8.50 to 1,226.59 an hour before the close. The blue-chip index dipped a bit Friday but had a gain of 33.13 for all of last week.

Advances led declines by more than 2 to 1. Volume was about 91.2 million shares, down from 93.5 million in the same period Friday.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons this article is based on the market at 3 P.M.

Prices were higher in active trading of American Stock Exchange issues.

Analysts said the stock market would probably test the 1,240-1,250 area on the Dow index.

Alfred Goldman of A.G. Edwards & Sons, St. Louis, found the market's performance impressive. He said issues such as IBM, General Electric and General Motors were "attracting aggressive buying and that means the institutions have started to spend money."

He noted that the margin of advancing issues over declines and a rise in the Dow transportation index were "confirming a better tone" in the market.

"The improved momentum has given the stock market a good shot at breaking 1,245 and revisiting 1,287" on the Dow index in the next few weeks, Mr. Goldman said.

Despite the short-term optimism, he said, institutions were still low on cash and the mar-

## Markets in Merger Talks

**United Press International**  
NEW YORK — The New York Stock Exchange is holding discussions with the Pacific Stock Exchange on a possible merger, Richard Toranzo, vice president of the NYSE, said on Monday.

The announcement came at a time when the NYSE has been studying the possibility of 24-hour trading, in order to accommodate the increasingly international nature of the U.S. markets. Sources say the NYSE, which runs from 10 A.M. to 4 P.M., may expand trading by an hour this year. The Pacific Exchange trading floors in Los Angeles and San Francisco remain open until 4:30 P.M. local time.

ket might have trouble going beyond the 1,287 area.

The federal funds rate was 8 1/2 percent at midday, unchanged from Friday. Some news reports said economists believe interest rates will head upward during 1985 as business activity improves.

American Express was near the top of the active list and off a fraction. A block of 3,237,400 shares crossed at 37 1/2.

AT&T was unchanged at 20 1/2 following blocks of 600,000 shares at 20 1/4 and 210,000 at 20 1/2.

IBM was higher at midday on heavy volume. Other gainers in the technology group included Digital Equipment, Texas Instruments, Motorola, Burroughs and Advanced Micro Devices.

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Out Cris

12 Month	High	Low	Stock	Div.	Yld.	PE	52 Wk	High	Low	Close	Out	Cris
1214.44	1208.18	1214.44	115.00	113.00	115.00	100.00	98.00	100.00	95.00	95.00	90.00	88.00
95.00	93.00	95.00	90.00	88.00	90.00	85.00	83.00	85.00	80.00	80.00	75.00	73.00
85.00	83.00	85.00	80.00	78.00	80.00	75.00	73.00	75.00	70.00	70.00	65.00	63.00
75.00	73.00	75.00	70.00	68.00	70.00	65.00	63.00	65.00	60.00	60.00	55.00	53.00
65.00	63.00	65.00	60.00	58.00	60.00	55.00	53.00	55.00	50.00	50.00	45.00	43.00
55.00	53.00	55.00	50.00	48.00	50.00	45.00	43.00	45.00	40.00	40.00	35.00	33.00
45.00	43.00	45.00	40.00	38.00	40.00	35.00	33.00	35.00	30.00	30.00	25.00	23.00
35.00	33.00	35.00	30.00	28.00	30.00	25.00	23.00	25.00	20.00	20.00	15.00	13.00
25.00	23.00	25.00	20.00	18.00	20.00	15.00	13.00	15.00	10.00	10.00	5.00	3.00
15.00	13.00	15.00	10.00	8.00	10.00	5.00	3.00	5.00	0.00	0.00	0.00	0.00

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Out Cris

12 Month	High	Low	Stock	Div.	Yld.	PE	52 Wk	High	Low	Close	Out	Cris
1214.44	1208.18	1214.44	115.00	113.00	115.00	100.00	98.00	100.00	95.00	95.00	90.00	88.00
95.00	93.00	95.00	90.00	88.00	90.00	85.00	83.00	85.00	80.00	80.00	75.00	73.00
85.00	83.00	85.00	80.00	78.00	80.00	75.00	73.00	75.00	70.00	70.00	65.00	63.00
75.00	73.00	75.00	70.00	68.00	70.00	65.00	63.00	65.00	60.00	60.00	55.00	53.00
65.00	63.00	65.00	60.00	58.00	60.00	55.00	53.00	55.00	50.00	50.00	45.00	43.00
55.00	53.00	55.00	50.00	48.00	50.00	45.00	43.00	45.00	40.00	40.00	35.00	33.00
45.00	43.00	45.00	40.00	38.00	40.00	35.00	33.00	35.00	30.00	30.00	25.00	23.00
35.00	33.00	35.00	30.00	28.00	30.00	25.00	23.00	25.00	20.00	20.00	15.00	13.00
25.00	23.00	25.00	20.00	18.00	20.00	15.00	13.00	15.00	10.00	10.00	5.00	3.00
15.00	13.00	15.00	10.00	8.00	10.00	5.00	3.00	5.00	0.00	0.00	0.00	0.00

## INVESTMENT OPPORTUNITY



PREFERRED: EASILY ACQUIRED; INSTANT LIQUIDITY.

12 Month	High	Low	Stock	Div.	Yld.	PE	52 Wk	High	Low	Close	Out	Cris
1214.44	1208.18	1214.44	115.00	113.00	115.00	100.00	98.00	100.00	95.00	95.00	90.00	88.00
95.00	93.00	95.00	90.00	88.00	90.00	85.00	83.00	85.00	80.00	80.00	75.00	73.00
85.00	83.00	85.00	80.00	78.00	80.00	75.00	73.00	75.00	70.00	70.00	65.00	63.00
75.00	73.00	75.00	70.00	68.00	70.00	65.00	63.00	65.00	60.00	60.00	55.00	53.00
65.00	63.00	65.00	60.00	58.00	60.00	55.00	53.00	55.00	50.00	50.00	45.00	43.00
55.00	53.00	55.00	50.00	48.00	50.00	45.00	43.00	45.00	40.00	40.00	35.00	33.00
45.00	43.00	45.00	40.00	38.00	40.00	35.00	33.00	35.00	30.00	30.00	25.00	23.00
35.00	33.00	35.00	30.00	28.00	30.00	25.00	23.00	25.00	20.00	20.00	15.00	13.00
25.00	23.00	25.00	20.00	18.00	20.00	15.00	13.00	15.00	10.00	10.00	5.00	3.00
15.00	13.00	15.00	10.00	8.00	10.00	5.00	3.00	5.00	0.00	0.00	0.00	0.00

(Continued on Page 10)











# Royal Bank of Scotland, Charter Agree on Sale

## Soviet Gets Credit Of \$100 Million

## Sales of U.S.-Built Trucks Up

**DETROIT**—Sales of U.S.-built trucks rose 30.6 percent in 1984 to 3,537,515 units from 2,709,389 units in 1983, the Motor Vehicle Manufacturers Association said Monday. But December sales were down 0.1 percent to 263,243 units from 263,494 units in December 1983, the association reported.

Company officials declined to say what price had been paid for control of Hills Bros., whose sales in 1983 totaled about \$350 million, according to a Nestlé statement.

Nestlé said Hills Brothers had about 1,000 employees in four manufacturing facilities in San Francisco; Edgewater, New Jersey; New Orleans, and Casa Grande, Arizona.

The companies said Pay Less has granted K mart an option to purchase nearly 1.8 million authorized but unissued shares of Pay Less common stock at \$27 a share. If the

K mart, the second-largest U.S. retailer — after Sears, Roebuck & Co. — operates more than 2,100 stores in the United States and Canada. Analysts said its decision to purchase Pay Less is part of a long-term strategy to expand its

K. mart's chairman, Bernard M. Fauber, and the Pay Less chairman, Edward B. Hart, said that "the long-term prospects for Pay Less and its employees will be enhanced by an affiliation with K. mart."

**Autopista Vasco-Aragonesa,** Concessionaria Espanola SA has asked Merrill Lynch Capital Markets to consolidate five loans for

shareholder as the result of a decision by Sallie Bingham, daughter of chairman Barry Bingham Sr., to consider offers from nonfamily members for her shares. She estimated her ownership at 15 percent in the family holdings.

**A.E. Staley Manufacturing Co.** said it has sold some of its soybean milling operations to independent Soy Processors Co. for an undisclosed sum.

**New Option**  
(Continued from Page 9)  
and the S&P 100 contains the bluest chips of all.

Electric in 1979; Standard Oil Co. of Ohio's \$1.8-billion purchase in 1981 of Kennecott Copper Co., and Mobil's \$2-billion purchase of Marcor, parent of Montgomery Ward & Co., the retailer, and the

**New Issue**

exchange? Mr. Staloff replied: "The Securities and Exchange Commission has ruled, in effect, that options on Eurodollars are not securities. But the Commodity Futures Trading Commission, mean-

At \$1.6 billion, Mukluk was the most expensive dry hole in history.

100

lay that an overall business slowdown in the second half of last year and increased financing costs moderated growth of the companies.

**Julius Baer International Limited**  
**Bank für Gemeinwirtschaft Aktie**  
**Bank of Tokyo International Limited**  
**Banque Française du Commerce**  
**Banque Internationale à Luxembourg**  
**Banque Paribas Capital Markets**

Nouvelle adresse  
dès le 17 décembre 1984

26, rue Adrien-Lachenal  
CP 720 · CH-1211 Genève 3  
Tél (022) 36 52 05  
Télex 22731 bariv ch

By: The Chase Manhattan Bank,  
National Association, New York

Fiscal Agent

 CHASE

January 22, 1992

# Commodore Finance B.V.

Amsterdam, Netherlands

**DM 100,000,000**

**7 1/2% Bearer Bonds of 1985/1992**

jointly and severally guaranteed by

## Commodore International Limited

Nassau, Bahamas

Commodore Electronics Limited, Nassau, Bahamas

CEL Electronics N.V., Curaçao, Netherlands Antilles

Commodore Holding B.V., Amsterdam, Netherlands

Commodore Büromaschinen GmbH, Frankfurt, Federal Republic of Germany

## Bayerische Vereinsbank

Aktiengesellschaft

## Algemene Bank Nederland N.V.

## Banca del Gottardo

## Barclays Merchant Bank Limited

## Nomura International Limited

## Swiss Bank Corporation International Limited

## Wirtschafts- und Privatbank

## Manufacturers Hanover Limited

## BankAmerica Capital Markets Group

## DG Bank Deutsche Genossenschaftsbank

## European Brothers International Limited

## Amro International Limited

## Julius Baer International Limited

## Bank für Gemeinwirtschaft Aktiengesellschaft

## Bank of Tokyo International Limited

## Banque Française du Commerce Extérieur

## Banque Internationale à Luxembourg S.A.

## Banque Paribas Capital Markets

## Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft

## Bayerische Vereinsbank International S.A.

## Berliner Bank Aktiengesellschaft

## Chase Manhattan Capital Markets Group

## Citicorp International Markets Group

## Crédit Commercial de France

## Crédit Suisse First Boston Limited

## Den Danske Bank af 1871 Aktieselskab

## Domination Securities Pittfield Limited

## Enskilda Securities Skandinaviska Enskilda Limited

## European Banking Company Limited

## Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

## Hamburgische Landesbank - Girozentrale

## Georg Haack & Sohn Bankiers Kommanditgesellschaft auf Aktien

## Industriebank von Japan (Deutschland) Aktiengesellschaft

## Kidder, Peabody International Limited

## Lebanon Brothers International

## LTCB International Limited

## Mettler seel. Sohn & Co.

## Mitsubishi Finance International Limited

## Morgan Guaranty Ltd

## Morgan Stanley International

## Norddeutsche Landesbank Girozentrale

## Nordische Bank Aktiengesellschaft

## Paribas International

## PK Christiania Bank (UK) Limited

## Samoa Bank (Underwriters) Limited

## Smith Barney, Harris Upham & Co. Incorporated

## Sonotone Finance International

## Verband Schweizerischer Kantonalbanken

## S.G. Warburg & Co. Ltd.

## Wood Gundy Inc.

## Arab Banking Corporation - Daus & Co. GmbH

## Banco Commerciale Italiana

## Bank Gütersloher, Karz, Baugauer (Overseas) Limited

## Bank J. Vanotiel & Co. - Bank Trust International Limited

## Banque Générale du Luxembourg S.A.

## Banque Nationale de Paris

## Banque Populaire Suisse S.A. Luxembourg

## Bear, Stearns International Limited

## Bankhaus Gebrüder Bethmann

## Chemical Bank International Group

## County Bank Limited

## Crédit Industriel et Commercial de Paris

## Dai-ichi Kangyo International Limited

## Deutsche Girozentrale - Deutsche Kommunalbank

## DSL Bank Deutsche Siedlungs- und Landesrentenbank

## Die Erste österreichische Spar-Casse

## Fuji International Finance Limited

## Geldman Sachs International Corp.

## Hessische Landesbank - Girozentrale

## Istituto Bancario San Paolo di Torino

## Kreditbank N.V.

## Landesbank Rheinland-Pfalz - Girozentrale







# In Hungary, Communists Raise Capital by Issuing Bonds

By John Tagliabue  
New York Times Service

**BUDAPEST** — Hungary's Communist leaders, evidently regarding stocks and bonds as so much capitalist tinsel, in the 1960s turned the once-thriving stock exchange here — an immense art nouveau granite heap opposite the United States embassy — into television studios.

Two decades later, Hungary has become the first Soviet-bloc country to reintroduce interest-bearing bonds. It is a bold design to boost domestic savings that some Western analysts said could spur industrial efficiency by making companies accountable to investors.

"The demand arose for a regrouping of capital, for a focusing of capital," according to Janos Radnoti, director of Hungary's State Development Bank, who is credited with creating the bond plan.

"The idea was not only more capital," he explained recently, "but a flow of capital to companies that are most profitable."

The impetus for developing the Hungarian market, Mr. Radnoti said, began with the credit squeeze

of 1982. Hungary was severely pinched when Western banks, frightened by Poland's financial collapse and the grave payment problems of Romania, called in loans.

Late that year, the Hungarian government authorized domestic institutions — cities and towns, companies and banks — to raise capital by issuing interest-bearing bonds.

The object of the program was to raise funds from individuals and companies that were not then available to the government, and to channel the money where it was needed quickly. Just how much capital is potentially available is not known.

Before the bond program was started, the state had basically two ways of raising capital: taking corporations and offering individuals savings accounts in state banks or time deposits, which pay slightly higher rates than savings accounts.

The system is flawed because companies can squirrel away capital reserves that the state cannot reach, and it does not address the main problem the state faces in a Communist system with centrally

planned capital allocations: getting money quickly to where it is needed.

Banking officials hoped the bond program would address those problems. The State Development Bank set interest rates, Western-style, by testing the market, starting with a modest 9-percent offering and edging up to current rates of from 11 to 14 percent.

Ideological critics were dismayed by a government pledge to guarantee the bonds through an offer to repurchase them within a 5-percent price band. Mr. Radnoti said, "For years we've given interest on our pass books. I reject the notion that one digit before the percentage mark is socialism, while two is capitalism."

Bank officials said about two dozen issues have reached the market so far, raising a modest \$30 million. When asked just how much the state would like to raise on the bond market, one official smiled and replied, "Let's say, the sky's the limit."

The biggest borrowers to date, bankers said, have been Hungarian municipalities seeking funds for local improvements ranging from new roads and day-care centers to

new telephone service. Some cities, in a flair of marketing nerve, have attracted investors by offering preferred service, such as early telephone installations or a place in a day-care center, to bond buyers.

At the same time, a remarkably large share of the investment money has come from the private sector, rather than from state-controlled businesses. "They've driven the private saver out of the woodwork," remarked a Western diplomat who watches the Hungarian economy.

Western diplomats said the bonds lure Hungarians because of a limited range of investment alternatives in the Communist economy. "Pass books bring little," one diplomat said. "Beyond that, you can start a little business, or maybe buy works of art. But the range is narrow."

Under current rules, investors may also sell their bonds and advertise their offering. The newspapers publish tables with price quotes and interest rates daily, and the blossoming of a resale market caused the Development Bank to establish an official secondary market last September.

Still, the meager \$30 million in

bond sales so far prompted one Austrian banker to talk of the enterprise as a "curiosity." Other Western analysts disagreed, arguing that the value of the system may lie in its forcing companies to report performance honestly.

Companies and municipalities have to report their financial standing to the Ministry of Finance before they can get permission to issue bonds. This requires filing a prospectus that is usually published entirely, or in part, to boost public interest in the issue.

Bondholders do not have a say in the companies or municipalities whose bonds they buy. Giving investors a direct voice in how companies are managed would come only with the sale of stock. And Hungarian planners have, in fact, toyed with the idea.

## Industry Output In China Grew 13.6% Last Year

**BEIJING** — The output value of China's industries in 1984 rose 13.6 percent to a record 700 billion yuan (\$250 billion), the State Statistical Bureau said Monday.

Crude oil and coal production rose 8 percent, and 6.6 percent more electricity was generated, according to the statistics reported by the Xinhua news agency.

The bureau said that 1984 coal output was 770 million metric tons, oil production was 114.5 million tons (33.6 billion U.S. gallons) and electricity generation totaled 374.5 billion kilowatt hours.

The antiquated railway system showed growth of 4.4 percent in freight to 1.2 billion metric tons.

In the consumer sector, just under 10 million television sets were manufactured, up 45.7 percent from 1983.

## Japan's Trade Surplus Swells To a Record \$33 Billion

(Continued from Page 9)

Japan's 1984 trade surplus with the United States was \$34.3 billion. For 1983, Japan had reported an \$18.1-billion trade surplus with the United States, while U.S. government figures put the surplus at \$21.6 billion.

The growing Japanese trade surplus with the United States has been a key source of friction between the two nations.

U.S. officials have called on Japan to open its domestic markets and take other actions to reduce the surplus, which U.S. officials fear may grow to \$45 billion next year.

Japanese leaders, while agreeing to some market-opening measures, have said the strong dollar and the U.S. budget contribute to the surplus.

Prime Minister Yasuhiro Nakasone, during his Los Angeles meeting with President Ronald Reagan earlier this month, promised to look into ways to speed up the opening of Japan's markets to U.S. products.

The Finance Ministry reported that 1984 exports to the EC

amounted to \$19.41 billion, a 4.8-percent increase. Imports from the EC were \$9.33 billion, a 14.9-percent increase over 1983, it said.

For 1983, Japan had reported a \$10.4-billion trade surplus with the community, while the EC reported the surplus at \$12 billion.

(AP, UPI, Reuters)

## China Provincial Airline To Acquire Boeing 737s

**BEIJING** — Yunnan province in southwestern China has bought two Boeing 737-300s for its own airline, the first order for the U.S. company since China began to split up its airline monopoly.

The planes will be used on domestic and international routes after they are delivered in November 1985 and February 1986, the Xinhua news agency said Monday. Boeing will train Chinese personnel and send experts to help operate the planes.

## Over-the-Counter

NASDAQ National Market Prices

Jan. 14

Sales in 100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

## Over-the-Counter

NASDAQ National Market Prices

Jan. 14

Sales in 100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

## Over-the-Counter

NASDAQ National Market Prices

Jan. 14

Sales in 100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

## Over-the-Counter

NASDAQ National Market Prices

Jan. 14

Sales in 100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net

100s High Low 3 P.M. Chgs

Net







## SPORTS

## Magoni Registers First-Ever World Cup Victory

Oertli, With Second-Place Finish, Ties Swiss Teammate Figini for Overall Lead

United Press International  
 Pfronten, West Germany—  
 Olympic slalom champion Paoletta  
 Magoni of Italy registered her first-  
 ever World Cup victory here Mon-  
 day when she took a slalom race

over a treacherous course that re-  
 awarded technical skill.  
 The 19-year-old proved fastest  
 on both runs, turning in a com-  
 bined time of 1 minute 47.18 sec-  
 onds for a convincing victory.

Brigitte Oertli of Switzerland fin-  
 ished second in 1:48.50, and the 20  
 points she earned vaulted her into a  
 tie at the top of the overall cup  
 standings with Swiss teammate Mi-  
 chela Figini.

Both have 165 points.  
 Daniela Zini of Italy placed third  
 Monday, clocking 1:49.18 on a  
 course that proved extremely diffi-  
 cult.

"The course was hard and condi-  
 tions varied," Magoni said after-  
 ward.

## WORLD CUP SKIING

"But I always do well on a diffi-  
 cult course," she said. "It suits the  
 Italian team."

Oertli, who has yet to win a race  
 this season despite her prominent  
 position in the overall standings,  
 said her goal now is to notch a  
 victory or two.

Figini, by contrast, clocked her  
 fourth first of the season when she  
 triumphed in Sunday's giant slalom  
 here.

Zini, 25, agreed that the widely  
 varying conditions encountered  
 along the Breitenberg slalom run  
 played to the Italians' strong skill  
 because their team training stresses  
 technique. "I made mistakes on the  
 second run, but it wasn't so bad,"  
 she said.

With a 180-meter (590-foot) verti-  
 cal drop, the course featured a full  
 range of conditions, from solid ice  
 to soft snow.

Only 38 skiers—fewer than half  
 of those who started the 58-gate  
 morning run—survived to try their  
 luck through the 68 gates of the  
 second run.

Erika Hess of Switzerland, the  
 overall World Cup winner last  
 year, matched Magoni's time on  
 the first leg.

But Hess went out of the race  
 when she lost a ski toward the bot-  
 tom of the second run.

Tamara McKinney of the United  
 States, the top cup slalomist last  
 year, fell out of the afternoon run  
 when she straddled a gate. She had  
 been fifth in the morning.

Olga Charvatova of Czechoslo-  
 vakia clocked 1:49.33 to take  
 fourth place ahead of American  
 Eva Twardokens, who had a com-  
 bined 1:49.63 for the best finish of  
 her World Cup career.

Corinne Schmidhauser of Swit-  
 zerland, Blanca Fernandez-Ochoa  
 of Spain, Helene Barbir of France  
 and Elisabeth Kirchler of Austria  
 took the next four places, respec-  
 tively.

## Surgery for Zurbiggen

World Cup points leader Pirmin  
 Zurbiggen underwent knee sur-  
 gery late Sunday. United Press In-  
 ternational reported from Muttiez,  
 Switzerland.

Zurbiggen hurt his left knee Sat-  
 urday in Kirchbach, Austria, during  
 the final stages of a race he won—  
 his second downhill triumph in two  
 days.

Afterward he could not bend the  
 knee normally.

Athrotrophic surgery removed  
 part of the joint's inner meniscus. A  
 statement released by the Swiss Ski  
 Federation said the knee's cartilage  
 was unaffected.

Zurbiggen began his rehabilita-  
 tion therapy Monday. Doctors said  
 he could be skiing in two weeks at  
 the earliest.

Zurbiggen still hopes to partici-  
 pate at the world ski champion-  
 ships in Bormio, Italy, starting  
 Jan. 31.

But the statement said that both  
 the federation and skier himself are  
 putting his health above any other  
 consideration and will not risk pre-  
 mature competition.

## Turning the Tables: Rugby Reckoning

By Bob Donahue

International Herald Tribune

PARIS—The big league of international  
 rugby has 10 members. At the start of 1985  
 England ranked 10th. No one noticed.

Oh, there was much grumbling about re-  
 sults and anguished talk of reform as the  
 new year began. But world rugby has no stand-  
 ings, so no aspiring reformer could use the  
 simplest of arguments: "We're last. As a  
 matter of fact, chaps, we've been last for  
 seven months."

A Jan. 5 match with upstart Romania then  
 gave old England a chance for parole from  
 the world cellar. A few new English players  
 clicked. Romanians visiting Twickenham for  
 the first time performed like stagbeetle re-  
 bots and the home team won dearly, 22-15.  
 Unbeknownst to any and all, England had  
 clambered back up into ninth place—stop  
 Argentina.

Argentina, now occasionally disguised for  
 political reasons as "South America," has  
 beaten Wales, Scotland, Ireland, Romania,  
 Australia and South Africa since the late  
 1960s. Romania has beaten France, Wales  
 and Scotland in the '80s. What has not  
 changed is rugby's habit of arguing about  
 rank instead of reckoning it.

The sport's congenial state of underman-  
 aged middle is part of its charm. Who needs  
 numbers? If the rugby ethos prevailed, the  
 scoreboard after a big club match would say  
 something like, "A fine time was had by all,  
 especially Leicester." No numbers.

Arithmetic is increasingly respected,  
 though, when it has to do with gates, televi-  
 sion rights, sponsorship or any other gauge of  
 relative popularity. Right now, senior admin-  
 istrators are frightened by the prospect of an  
 ungovernably brawl, when rugby's ruling  
 International Board meets in Paris in March,  
 between advocates and adversaries of a world  
 cup.

Rothmans' Rugby Yearbook, the sport's  
 unofficial bible, has yet to establish world  
 rankings. The British monthly Rugby World  
 did give it a try last August, in a column story  
 that attracted interest abroad. It rated the top  
 10 as follows: New Zealand, France, South  
 Africa, Australia, Scotland, Wales, Romania,  
 Fiji, England, Ireland.

The inclusion of Fiji at the expense of  
 Argentina—"out of contention in the wake  
 of the Falklands war"—was peculiar. A  
 more basic flaw was lack of the clout that  
 only verifiable figures can give. The rankings  
 were just one magazine's opinion.

Thus does rugby potter along. When Aus-  
 tralia toured the British Isles from October to  
 December, sweeping its four test matches,  
 people kept saying that the Wallabies now  
 ranked with the best in the world. No one  
 could be specific.

To be specific: On the basis of each coun-  
 try's last 10 matches against any of the other  
 nine nations, Australia ranks fourth, with five  
 victories, a draw and four defeats (see Jan. 5  
 table, below). Scotland is also 5-1-4, but it  
 scored 17 tries in its last 10 matches, com-  
 pared with Australia's 19.

World rugby's Big Three at present are  
 South Africa (7-0-3, 32 tries), France (6-1-3,  
 20 tries) and New Zealand (6-1-3, 16 tries).  
 Had objective rankings been available,  
 Australia's flashy tour results would have  
 seemed less extraordinary. Australia ranks no  
 higher today than it did in 1981 and 1982,  
 when it was also fourth.

Scotland, which has won four of its last six  
 matches, will be on top of the world at 8-0-2 if  
 it wins its next four. That is unlikely, but  
 something to aim for.



In the first rugby test match of the year, at Twickenham in London on Jan. 5, Romanian Marian Aldea, top right, wrestled David Cooke out of the play while English teammate Wade Dooley (in headband) grappled for the ball.

Mourning for England, now 3-0-7, might  
 be less bitter if it were realized that England  
 slipped to 1-0-9 in February 1973. It fell to 2-  
 0-4 in 1976 and again in 1978.

English determination should rise further  
 with the knowledge that the victory over  
 Romania lifted England past France into  
 fourth place for the 1980s overall (see 1980s  
 table). Victory in Dublin on Saturday would  
 put England in third place, ahead of Australia.

Which brings us to a second sort of table—

LAST 10 TESTS  
AS OF JAN. 5, 1985

	W	D	L	Tries
1. South Africa	7	0	3	32
2. France	6	1	3	20
3. New Zealand	6	1	3	16
4. Australia	5	1	4	19
5. Scotland	5	1	4	17
6. Wales	4	1	5	13
7. Romania	4	0	6	10
8. Ireland	3	0	7	6
9. England	3	0	7	4
10. Argentina	2	1	7	12

(Argentina's results include tests played by "South America." Due on Jan. 19: France vs. Wales, Ireland vs. England.)

## THE 1980s: 116 TESTS

	P	W	D	L	Tries
1. South Africa	16	13	0	3	813
2. New Zealand	23	16	1	6	717
3. Australia	26	13	12	5	519
4. England	28	13	12	5	518
5. France	36	18	17	5	514
6. Scotland	29	13	24	4	483
7. Wales	24	10	13	4	438
8. Romania	11	4	1	6	409
9. Ireland	25	8	1	16	340
10. Argentina	14	2	1	11	179

(Note: Argentina's results include "South America.")

## Hurdler Moses Arrested in Hollywood Vice Sweep

Compiled by Our Staff From Dispatches

LOS ANGELES—Two-time Olympic hurdles  
 champion Edwin Moses was one of 82 men arrested  
 and charged with soliciting prostitution during an  
 anticave sweep of Hollywood early Sunday, police  
 said. He was also cited but not arrested for possession  
 of a small amount of marijuana, a police spokesman  
 added.

Moses, married and recently named co-winner of  
 Sports Illustrated's athlete of the year award with  
 gymnast Mary Lou Retton, won the gold medal in the  
 400-meter hurdles at the 1976 and 1984 Olympics and  
 has not lost in seven years and 105 races. His world-  
 record time for the event is 47.02.

Moses, 28, took the Olympic oath on behalf of all  
 Olympic athletes at the opening ceremonies of the  
 1984 Summer Games, which marked the first time that  
 Moses, a star of long standing in Europe, had received  
 substantial recognition in the United States.

Police said Moses was arrested for allegedly ap-  
 proaching a female undercover police officer and  
 soliciting an act of prostitution. He was released on his  
 own recognizance; no court date has been set. The  
 misdemeanor carries a \$500 fine and/or a six-month  
 jail term.

The female officer was part of a task force working  
 to deter prostitution in the Hollywood area, police  
 said.

Police said Moses was also cited for having a small  
 amount of marijuana in his possession after it turned  
 up in a search of his car.

He was not booked for drug possession, since the  
 amount "was much, much less than an ounce," the  
 spokesman said.

Moses received the Sullivan Award in 1983 as the  
 top U.S. amateur athlete, and is one of only seven  
 athletes worldwide who are members of an advisory  
 commission to the International Olympic Committee.  
 Moses has spoken out against athletes who used  
 steroids and other drugs and is also considered one of  
 track and field's leaders in gaining financial rights for  
 the athletes. One of the highest-paid performers him-  
 self, Moses reportedly figured to make almost \$1  
 million during 1984.

Moses was not immediately available for comment,  
 but his arrest surprised many the sports world. "He  
 has impeccable character and he's an outstanding  
 young man," said Larry Ellis, who coached the U.S.  
 men's Olympic track team. "He's shown tremendous  
 leadership ability and impressed people by his de-  
 meanor."  
 (UPI, AP)



Edwin Moses

## 76ers Overtake Bullets for 115-104 Victory

The Associated Press

LANDOVER, Maryland—  
 Once the Philadelphia 76ers got to  
 77 points, the Washington Bullets  
 shot only blanks.

The Bullets led, 91-75, late in the  
 third quarter of their National Bas-  
 ketball Association game here Sun-

day, but the 76ers outscored them  
 by 40-13 in the final 13 minutes.  
 Philadelphia's 115-104 victory was

## NBA FOCUS

its 11th straight, the longest win-  
 ning streak in the league this sea-

"To go from 16 points down and  
 win by 11—a 27-point turnaround  
 in 13 minutes—was pretty impres-

sive," said Julius Erving, who  
 scored 21 points for Philadelphia,  
 which is 31-6 but still trails first-  
 place Boston by half a game in the  
 Atlantic Division.

Philadelphia guard Maurice  
 Cheeks hit all nine of his shots from  
 the field and finished with 25  
 points to lead all scorers.

Elsewhere it was Milwaukee 140,  
 Denver 116; New Jersey 100,  
 Houston 99; Detroit 121, the Los  
 Angeles Lakers 98; Dallas 124,  
 Portland 101; and Seattle 119,  
 Kansas City 114.

Sedale Threatt and Erving started  
 the Philadelphia comeback by  
 scoring the last four points of the  
 third period, cutting Washington's

lead to 91-79. Then a 12-2 run, with  
 Erving scoring seven points, made  
 it 93-91.

Andrew Toney, nine of whose 15  
 points came in the decisive final  
 period, scored three points during a  
 7-0 streak that gave Philadelphia a  
 100-97 advantage. Then he re-  
 bounded in his own missed shot to  
 start another run of five straight  
 points.

Erving said the bus ride from  
 Philadelphia may have accounted for  
 the team's poor start. "We had  
 to get our ground legs after an hour  
 and a half on the bus," Erving said.  
 "It took us a while to get cranked  
 up. Then things started to shift, and  
 everything snowballed. Washing-  
 ton was due a cold spell."

The Bullets, hurt in part by an  
 injury to forward Cliff Robinson,  
 folded in the final quarter, going  
 just 3-for-23 from the field. Robin-  
 son didn't play in the second half  
 after hurting his right knee and  
 ankle in the second quarter.

"It's obvious we need Cliff in the  
 lineup," said Washington Coach  
 Gene Shue.

Wadkins  
Golf Victor  
In Playoff

The Associated Press

PALM SPRINGS, California—  
 Lanny Wadkins made up four  
 shots on the last five holes of regu-  
 lation to tie the Craig Stadler and then  
 beat him with a birdie on the fifth  
 hole of a sudden-death playoff Sun-  
 day to win the Bob Hope Classic  
 golf tournament.

Wadkins, who went eagle-par-  
 birdie-birdie-birdie over the final  
 five regulation holes, won the  
 \$90,000 first prize with a 15-foot  
 putt on the 15th hole at the Indian  
 Wells course.

Believe me, it's more holes than  
 we wanted to play," Wadkins said  
 after 95 holes of play in the opening  
 event on the 1985 PGA tour.

With Stadler holding a 4-shot  
 lead and the holes dwindling away  
 in regulation play, Wadkins' rally  
 finished off a fifth-round 65, seven  
 shots under par, and enabled him  
 to tie Stadler with tournament-re-  
 cord 333, 27-under, Stadler, who  
 tore up the front side in 31, had a  
 closing 66.

The playoff started on the 15th  
 hole, and after a couple of dramatic  
 turns—each man saving par from  
 extremely difficult positions—  
 they remained tied going to the  
 par-5 18th.

Stadler drove into deep trouble  
 up on a rocky hill to the right. The  
 former Masters champion thrashed  
 the ball out from amid tumbledown  
 the fairway; Wadkins then lashed  
 an iron to within six feet of the pin.  
 Stadler hit his third shot about 13  
 feet below the cup. He sunk his  
 birdie putt—and Wadkins missed  
 his shot at an eagle.

Back they went to No. 15, a par-  
 3. Stadler missed the green to the  
 right and Wadkins put his shot 15  
 feet behind the flag. Stadler  
 clipped to within six feet and then  
 watched as Wadkins' putt found  
 the cup.

Gretzky Scores Goal No. 400  
As Oilers End Sabres' Streak

Los Angeles Times Service

BUFFALO—Wayne Gretzky  
 became the youngest player to  
 score 400 goals in National Hockey  
 League history Sunday at Buffalo,  
 but it took two third-period goals

426 goals, breaking still another  
 record. A year ago the Islanders' Mike Bossy scored his 400th in his  
 506th game.

Gretzky is the 23d NHL player  
 to record 400 goals. He also assisted  
 on Sunday's first two goals and  
 now has 80 assists in 43 games. He  
 is on his way to wrapping up another  
 scoring title, and needs only 77  
 points in 37 games to reach 200  
 points for the third time in the last  
 four seasons.

The 400th goal, as with so many  
 of his others, was a beauty. He  
 skated in from the blue line,  
 worked his way through several Sa-  
 bres and scored from a difficult  
 angle, lifting the puck through a  
 small opening near the crossbar.

Sunday's may have been Mes-  
 sier's last game for a while. In mid-  
 December, he broke the jaw of Cal-  
 gary's Jamie MacKenzie in a fight.  
 Messier was expected to be told of  
 his punishment—probably a sus-  
 pension—on Monday.

Buffalo Coach Scotty Bowman  
 feels the league has been too slow in  
 handling down the penalty. "It's be-  
 ing handled very badly," Bowman  
 said. "It's taken 18 days already.  
 That's too long."

## SCOREBOARD

## Hockey

## NHL Standings

## Wales Conference

	W	L	T	Pts	GF	GA
Philadelphia	26	12	5	57	187	127
Washington	24	12	7	55	174	125
N.Y. Islanders	25	16	1	51	281	161
Pittsburgh	17	19	4	38	145	178
N.Y. Rangers	14	26	7	35	152	168
Boston	14	23	4	32	144	170

## Adams Division

	W	L	T	Pts	GF	GA
Montreal	21	13	5	48	141	141
Quebec	19	13	4	42	160	142
Quebec	21	17	6	48	177	140
Boston	19	17	6	45	156	149
Hartford	14	23	4	32	128	179

## Campbell Conference

	W	L	T	Pts	GF	GA
Chicago	19	21	3	41	147	162
St. Louis	12	27	4	28	149	184
Minnesota	14	21	3	31	151	148
Minnesota	12	25	3	27	153	197
Toronto	7	28	5	19	127	176

## Smith Division

	W	L	T	Pts	GF	GA
Edmonton	30	9	4	64	219	134
Calgary	21	17	5	47	201	172
Winnipeg	21	18	4	46	178	181
Los Angeles	17	23	4	38	190	197
Vancouver	10	29	2	22	140	236

## SUNDAY'S RESULTS

	W	L	T	Pts	GF	GA
Philadelphia	2	1	0	4	3	2
Washington	2	1	0	4	3	2
N.Y. Islanders	2	1	0	4	3	2
Pittsburgh	2	1	0	4	3	2
N.Y. Rangers	2	1	0	4	3	2
Boston	2	1	0	4	3	2

## Atlantic Division

	W	L	T	Pts	GF	GA
Philadelphia	26	12	5	57	187	127
Washington	24	12	7	55	174	125
N.Y. Islanders	25	16	1	51	281	161
Pittsburgh	17	19	4	38	145	178
N.Y. Rangers	14	26	7	35	152	168
Boston	14	23	4	32	144	170



## ART BUCHWALD

## Killing the Arms Race

WASHINGTON — In the world of nuclear arms, missiles do not kill people, nations kill people.

Therefore, at the start of the new arms negotiations it is time both the Soviet Union and the United States take a new approach to the question of disarmament.

Instead of negotiating the reduction of offensive and defensive nuclear weapons, we should negotiate limits on how many times each superpower may kill a person in the event of an all-out war.

At the moment many experts believe that the United States and the Soviet Union have each stockpiled enough weapons to destroy one another's citizens 10 times over.

The first step, then, is to produce an agreement that would reduce the nuclear arsenals in both countries to the point where they could only kill every American and Soviet citizen five times.

Cutting the KR (kill ratio) in half won't be easy, but it is possible to persuade the superpowers to agree to it, particularly when it can be argued that you only have to kill a person twice to make your point in an all-out holocaust. With a KR of five, both sides would still have a margin of safety in case their missiles malfunctioned or failed to hit their targets.

The U.S. military will argue that the Soviet Union may sign a treaty agreeing to kill every American only five times, and then cheat, by slashing away enough weapons to kill them seven times.

The Soviet military could balk at cutting the KR in half on the grounds that, while the United

States might reduce its weapons, the Russians are still at a disadvantage, because if we refuse to include West European warheads in the count, each Soviet citizen could still be killed eight times.

At this point the negotiators in Geneva would have to resort to compromise.

The Americans could address the U.S. military's fears by insisting on on-site inspection of both nuclear stockpiles. If it were found that the Soviet weapons on hand had enough power to kill the Americans more than the agreed-upon KR of five, the United States could abrogate the treaty and proceed to build new weapons that would kill every Soviet citizen 15 times.

In exchange for on-site inspection, we would include the West European nukes in our KR, and reduce American stockpiles until both the U.S. and West European KR came out to five.

If the kill ratio formula is unacceptable, there is no reason for the superpowers to leave the bargaining table.

Another solution might be to work out a fair agreement on how many people each side may be permitted to wipe out in the event of a war. Neither country would have to reduce its arsenal, but would be limited to firing only enough missiles to kill 100 million people on the other's territory.

The obvious question is, who would monitor the pact to see that the superpowers did not bag more than their limit? This could be done by the International Red Cross, which would have access to all the stricken areas. If either side went over the 100-million ballpark figure, the other would then be permitted to match them body for body.

With the limits set by the treaty, it would be the waste of money for the superpowers to continue the arms race, but there would be an incentive to reduce nuclear arsenals accordingly.

## VENICE CANCELS BULLFIGHTS

VENICE — The municipal government has withdrawn a plan to stage bullfights during carnival celebrations next month. Animal lovers had protested, despite assurances that the events would be bloodless, based on scoring rather than kills.

I have no illusions that either the KR reduction proposal or the 100-million limit on casualties can be successfully negotiated overnight. I'm throwing them on the table as a starting point in the new negotiations. When it comes to serious disarmament talks you have to start somewhere.

## 'Tara' May Not be Gone With the Wind

By William E. Schmidt

New York Times Service

ATLANTA — For legions of tourists and convention-goers who travel to this booming capital of the South, the mythology remains as persistent as it is irrefutable: Somewhere among the city's thicket of new glass and steel skyscrapers, they hope and they reckon, they will find Tara.

The first question tourists ask is, can they visit the place where "Gone With the Wind" was filmed, said Phyllis Trammell, who runs the information desk at Atlanta's Central Library. "And the second question is, where is Tara and it is open to the public?"

The answer is that Atlanta has no Tara, the mythical plantation of Scarlett O'Hara, heroine of the best-selling novel by Atlanta Margaret Mitchell and the movie made from it. And Ted Sprague, director of the Atlanta Convention and Visitor's Bureau, thinks this is a big mistake on Atlanta's part.

"The movie 'Gone With the Wind' has given Atlanta worldwide publicity," said Sprague. "We really ought to be doing something to take better advantage of it."

So, 45 years after the David O. Selznick film starring Clark Gable and Vivien Leigh had its premiere at the Loew's Grand Theatre in Atlanta, and a year before the 50th anniversary of the publication of the novel, the city is seeking ways to capitalize on the neglected legacy of "Gone With the Wind."

For years, there have been various plans and projects aimed at playing up the city's role as the setting for much of the book and the movie. But these have foundered, often as a result of opposition by the guardians of Mitchell's estate, who have used copyright laws to challenge any attempt to exploit the novel or its characters.

In recent months, however, attorneys for the author's estate have expressed interest in plans by business leaders and local officials in suburban Clayton County, to build a museum, park and civic complex around the "Gone With the Wind" theme.

Clayton County, a rolling swath of pine and kudzu south of Atlanta, served as the setting



Vivien Leigh (above) as Scarlett, Thomas Mitchell as her father at the front of the film Tara; Mitchell, right.

for Mitchell's novel and was the site of the fictional Tara.

Whether the estate will give final approval depends not only on the outcome of a feasibility study designed to come up with a specific plan for the complex, but on whether one of Mitchell's two surviving heirs can be persuaded that the project has merit.

Last month, when The Atlanta Constitution reported that attorneys for the estate had given their approval to the Clayton County project, Joseph Mitchell, a nephew who lives in Atlanta, called the newspaper and begged to differ. He said the museum would be built "over my dead body."

Valerie Purser, a member of the Clayton Chamber of Commerce, says she believed Mitchell's fears of a gaudy tourist attraction were misplaced.

"We are not talking about some place that sells cheap Japanese dolls," she said. "What we are looking at is a nonprofit attraction, where people who love the book and the movie can come and see Scarlett and Rhett and Tara."

Among the attractions that Purser said would be part of the project is the facade of Tara that was used in the 1939 film. It was bought five years ago by Betty Talmadge, a businesswoman once married to former U.S. Senator Herman E. Talmadge.

Mrs. Talmadge, who has stored the facade, lives in a sprawling

antebellum mansion in Clayton County. It is said to have been the inspiration for Twelve Oaks, the plantation of the handsome, genteel Ashley Wilkes.

For whom Scarlett O'Hara carries a torch through most of the book. There are devotees of the novel and Mitchell's memory who believe the author got short shrift from her native city.

Mitchell's legacy has been scattered. Collections of her papers are divided among the University of Georgia, the New York Public Library and several Atlanta institutions. Her private library is part of a collection at the Atlanta Public Library, along with the typewriter on which she wrote the novel.

Interest in the film and the book remains keen among visitors to Atlanta. The Gray Line tour bus company says its most popular group excursion is one it calls "Gone With the Wind Country: The Area that General Sherman Refused to Burn."

The tour takes visitors to Madison and Covington, small towns outside Atlanta that have a stock of splendidly restored antebellum houses.

"Even the Japanese consul told me he thought Atlanta ought to do more to play up the fact that it is the home of 'Gone With the Wind,'" said Sprague. "There are still a lot of people who want to come here and get their picture taken in front of Tara."



ing further homage to "Gone With the Wind" which is, after all, a celebration of the antebellum South.

Mitchell's legacy has been scattered. Collections of her papers are divided among the University of Georgia, the New York Public Library and several Atlanta institutions. Her private library is part of a collection at the Atlanta Public Library, along with the typewriter on which she wrote the novel.

Interest in the film and the book remains keen among visitors to Atlanta. The Gray Line tour bus company says its most popular group excursion is one it calls "Gone With the Wind Country: The Area that General Sherman Refused to Burn."

The tour takes visitors to Madison and Covington, small towns outside Atlanta that have a stock of splendidly restored antebellum houses.

"Even the Japanese consul told me he thought Atlanta ought to do more to play up the fact that it is the home of 'Gone With the Wind,'" said Sprague. "There are still a lot of people who want to come here and get their picture taken in front of Tara."

## PEOPLE

## The Prize Also Rises

A \$150,000 literary awards plan that the organizers say is the biggest in the world has been announced in Paris to promote "worldwide literary excellence" in memory of Ernest Hemingway.

The prize, to be underwritten by Sultan Mouda Hassan al-Bolkiah of Brunei, commemorates the link between Hemingway and the Ritz Hotel in Paris. The first Ritz Paris Hemingway Award will be presented in March. Jack Hemingway, the author's eldest son, said a \$50,000 prize would be awarded to the novelist whose work in 1984 best exemplified "the Hemingway tradition of excellence."

A further \$100,000 will be made in grants to organizations or institutions that best "further the study of the life and works of Ernest Hemingway." The journalist Pierre Salinger is chairman of the award committee. Ernest Hemingway first went to the Ritz when he was living in relative poverty in Paris and could barely afford the price of a drink. He later "liberated" it with U.S. troops in August 1944, and became a regular customer after the war.

The lure of revisiting his childhood home brought publicity-shy Patrick Hemingway back to Key West for the first time in 34 years. The middle son of Ernest Hemingway dislikes the limelight that attends his father's name. Key West is observing a Hemingway festival centered around the house where he wrote several stories. Patrick Hemingway retired to Montana in 1975 after spending many years in Africa as a safari outfitter, hunter and wildlife manager.

A Vietnamese refugee who arrived in England five years ago not knowing a word of English has won a place at Oxford University. The Daily Mail said Mai Ly, 18, fled Vietnam in a boat with her parents and younger brother and settled in Hampshire. She will be studying physics at St. Hugh's College.

The White House has announced three of the designs Nancy Reagan will wear at inauguration festivities. When her husband takes the oath of office on the steps of the Capitol next Monday, she will wear an electric-blue outfit by Adolfo. When she attends the inaugural balls that night she will wear a jeweled dress by James Galanos.

Prince Albert of Monaco had to pull out of the Paris-Dakar rally Monday because of a blown engine on his Mitsubishi Pajero. Albert and his team-mate, Jean-Pierre Marsan, dropped out 50 kilometers (31 miles) from Gao, Mali, where the two-day, 1,200-kilometer section of the rally ends. He and Marsan were 38th in the overall standings at the start of the section at Agadez, Niger. His sister, Princess Caroline, and her husband, Stefano Casiraghi, dropped out of the rally after an accident.

And at the presidential gala Saturday night, she will wear a red sheath by Bill Blass.

Princess Margaret, sister of Queen Elizabeth II, has left the hospital one week after an operation on her lung. Surgeons removed tissue from the princess's lung after she was admitted complaining of chest pains, but tests showed the tissue to be non-malignant.

Katharine Hepburn, who portrays a mercy killer in her latest film, says elderly people should be allowed to die if they must rely on machines to keep them alive. The 75-year-old actress told Ladies Home Journal magazine that she signed a document authorizing the removal of a lung support system if she is ever terminally ill and incompetent. In "The Ultimate Solution of Grace Quigley," Hepburn plays an elderly woman who joins with a murderer to kill aged people who want to die. "If my own mother had been desperately ill and attached to a lot of humiliating machines, I think I would have shot her," the actress said in the interview.

The train used by Queen Elizabeth II and other members of the royal family to travel in Britain is being redesigned to withstand a gas or missile attack, according to the Mail on Sunday. The newspaper said state-owned British Rail was replacing or refitting all 12 coaches used by the royal family to attend functions outside London. The new train, dubbed a "tank on rails," will be protected by automatic locks and bullet-proof windows, and will be equipped with an independent oxygen supply system in case of a nerve-gas attack, the weekly said.

Prince Albert of Monaco had to pull out of the Paris-Dakar rally Monday because of a blown engine on his Mitsubishi Pajero. Albert and his team-mate, Jean-Pierre Marsan, dropped out 50 kilometers (31 miles) from Gao, Mali, where the two-day, 1,200-kilometer section of the rally ends. He and Marsan were 38th in the overall standings at the start of the section at Agadez, Niger. His sister, Princess Caroline, and her husband, Stefano Casiraghi, dropped out of the rally after an accident.

## Place Your Classified Ad Quickly and Easily

## in the

## INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local HT representative with your text. You will be informed of the rate immediately, and one prepayment is made. The basic rate is \$9.50 per line per day + local taxes. There are 25 lines, signs and spaces in the first line and 36 in the following lines. Minimum space is 7 lines. No abbreviations accepted. Credit Cards: American Express, Diners Club, Eurocard, MasterCard, Access and Visa.

## HEAD OFFICE

Paris (for classified only): 747-4600.

## EUROPE

Amsterdam: 26-36-15.

Athens: 361-897/360-2421.

Brussels: 343-1899.

Copenhagen: (01) 329440.

Frankfurt: (049) 72-67-55.

Lisbon: 29-58-94.

London: 67-27-93/66-25-44.

Madrid: 661-834-8802.

Moscow: 455-2891/455-3306.

Munich: (089) 7531-445.

Norway: (02) 8455-45.

Rome: 679-3437.

Sweden: 08 1046-32.

Tel Aviv: 03-455-559.

Vienna: 504-1925.

## UNITED STATES

New York: (212) 753-3890.

## ANNOUNCEMENTS

## SUBSCRIBE

## to the

## INTERNATIONAL

## HERALD

## TRIBUNE

## AND SAVE

As a new subscriber to the International Herald Tribune, you can save up to half the newsprint price depending on your country of residence.

For details on this special introductory offer, write to:

HT Subscriptions Department, 181 Avenue Charles-de-Gaulle, 92250 Neuilly-sur-Seine, France. Or in Paris: 747-47-07.

## IN ASIA AND PACIFIC

contact our local distributor or:

International Herald Tribune, 1000 Tai Seng Court, Suite 24-34, Singapore. Tel: 85-236-6726.

## THE

## TERRORIST

## INTELLIGENCE

## REPORT

(A professional newsletter)

PUBLISHED TWICE MONTHLY

US\$100 per year and sale

Subscription: 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, 2721, 2722, 2723, 2724, 2725, 2726, 2727, 2728, 2729, 2730, 2731, 2732, 2733, 2734, 2735, 2736, 2737, 2738, 2739, 2740, 2741, 2742, 2743, 2744, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2759, 2760, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2